

1-1 By: Watson, Birdwell, Buckingham S.B. No. 1949
1-2 (In the Senate - Filed March 7, 2019; March 19, 2019, read
1-3 first time and referred to Committee on Business & Commerce;
1-4 April 15, 2019, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 9, Nays 0; April 15, 2019,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Hancock	X		
1-10	Nichols	X		
1-11	Campbell	X		
1-12	Creighton	X		
1-13	Menéndez	X		
1-14	Paxton	X		
1-15	Schwertner	X		
1-16	Whitmire	X		
1-17	Zaffirini	X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1949 By: Nichols

1-19 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to the applicability of laws of this state to certain
1-22 consumer financial transactions.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 342.005, Finance Code, is amended to
1-25 read as follows:

1-26 Sec. 342.005. APPLICABILITY OF CHAPTER. Except as provided
1-27 by Sections 302.001(d) and 342.004(c), a loan is subject to this
1-28 chapter if the loan:

1-29 (1) provides for interest in excess of 10 percent a
1-30 year;

1-31 (2) is extended primarily for personal, family, or
1-32 household use to a person who is located in this state at the time
1-33 the loan is made;

1-34 (3) is made by a person engaged in the business of
1-35 making, arranging, or negotiating those types of loans; and

1-36 (4) either:

1-37 (A) is not secured by a lien on real property; or

1-38 (B) is described by Section 342.001(4), 342.301,
1-39 or 342.456 and is predominantly payable in monthly installments.

1-40 SECTION 2. The heading to Section 342.053, Finance Code, is
1-41 amended to read as follows:

1-42 Sec. 342.053. AREA OF BUSINESS; LOANS BY MAIL OR ONLINE.

1-43 SECTION 3. Section 342.053(b), Finance Code, is amended to
1-44 read as follows:

1-45 (b) A lender may make, negotiate, arrange, and collect loans
1-46 by mail or online from a licensed office.

1-47 SECTION 4. Section 343.002, Finance Code, is amended to
1-48 read as follows:

1-49 Sec. 343.002. APPLICABILITY. (a) This chapter applies to a
1-50 loan under this chapter that is extended to a person who is located
1-51 in this state at the time the loan is made.

1-52 (b) This chapter does not apply to:

1-53 (1) a reverse mortgage; or

1-54 (2) an open-end account, as defined by Section
1-55 301.002.

1-56 SECTION 5. Section 345.007, Finance Code, is amended by
1-57 adding Subsection (d) to read as follows:

1-58 (d) This chapter applies to a retail installment
1-59 transaction extended to a person who is located in this state at the
1-60 time the transaction is entered into.

2-1 SECTION 6. Section 346.004(a), Finance Code, is amended to
2-2 read as follows:

2-3 (a) Unless the contract for the account provides otherwise,
2-4 this chapter applies to a revolving credit account described by
2-5 Section 346.003 if the loan or extension of credit is extended
2-6 primarily for personal, family, or household use to a person who is
2-7 located in this state at the time the loan is made or the extension
2-8 of credit is entered into.

2-9 SECTION 7. Subchapter A, Chapter 347, Finance Code, is
2-10 amended by adding Section 347.008 to read as follows:

2-11 Sec. 347.008. APPLICABILITY. Each credit transaction
2-12 extended to a person who is located in this state at the time the
2-13 transaction is entered into is subject to this chapter.

2-14 SECTION 8. Section 348.007(a), Finance Code, is amended to
2-15 read as follows:

2-16 (a) Except as otherwise provided by this section, each
2-17 retail installment transaction extended to a person who is located
2-18 in this state at the time the transaction is entered into is subject
2-19 to this chapter.

2-20 SECTION 9. Subchapter A, Chapter 351, Finance Code, is
2-21 amended by adding Section 351.012 to read as follows:

2-22 Sec. 351.012. APPLICABILITY OF CHAPTER. This chapter
2-23 applies to a property tax loan that is extended to a person for
2-24 payment of property taxes on real property located in this state.

2-25 SECTION 10. The heading to Section 351.053, Finance Code,
2-26 is amended to read as follows:

2-27 Sec. 351.053. AREA OF BUSINESS; PROPERTY TAX LOANS BY MAIL
2-28 OR ONLINE.

2-29 SECTION 11. Section 351.053(b), Finance Code, is amended to
2-30 read as follows:

2-31 (b) A property tax lender may make, negotiate, arrange, and
2-32 collect property tax loans by mail or online from a licensed office.

2-33 SECTION 12. Chapter 352, Finance Code, is amended by adding
2-34 Section 352.009 to read as follows:

2-35 Sec. 352.009. APPLICABILITY OF CHAPTER. This chapter
2-36 applies to a refund anticipation loan that is extended to a person
2-37 who is located in this state at the time the loan is made.

2-38 SECTION 13. Section 371.003(8), Finance Code, is amended to
2-39 read as follows:

2-40 (8) "Pawn transaction" means the pledging, by a person
2-41 present in this state at the time of the transaction, with a
2-42 pawnbroker of a single item of goods as security for a loan of
2-43 money.

2-44 SECTION 14. Section 393.602(a), Finance Code, is amended to
2-45 read as follows:

2-46 (a) This subchapter applies only to a credit services
2-47 organization that, with respect to a consumer who is located in this
2-48 state at the time of the transaction, obtains for a consumer or
2-49 assists a consumer in obtaining an extension of consumer credit in
2-50 the form of:

- 2-51 (1) a deferred presentment transaction; or
- 2-52 (2) a motor vehicle title loan.

2-53 SECTION 15. This Act takes effect September 1, 2019.

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