

Regular Session, 2010

SENATE BILL NO. 272

BY SENATOR DORSEY

LOANS. Creates the Louisiana Tax Refund Anticipation Loan Act. (8/15/10)

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AN ACT

To enact Chapter 2-A of Code Title XII of Code Book III of Title 9 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 9:3579.1 through 3579.6, relative to the Louisiana Tax Refund Anticipation Loan Act; to provide for legislative intent; to provide for definitions; to provide for fees; to provide for notice; to provide for powers of the commissioner of financial institutions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. Chapter 2-A of Code Title XII of Code Book III of Title 9 of the Louisiana Revised Statutes of 1950, to be comprised of R.S. 9:3579.1 through 3579.6, is hereby enacted to read as follows:

CHAPTER 2-A. LOUISIANA TAX REFUND ANTICIPATION LOAN ACT

§3579.1. Short title

This Chapter shall be known and may be cited as the "Louisiana Tax Refund Anticipation Loan Act."

§3579.2. Legislative intent

It is the intent of the legislature to regulate refund anticipation loans.

1 These loans meet a legitimate credit need for many borrowers; however, in
2 order to protect borrowers from excessive charges, it is the intent of the
3 legislature to place certain restrictions on lenders who make these loans.

4 §3579.3. Definitions

5 (1) "Borrower" means the person or taxpayer who receives the proceeds
6 of a refund anticipation loan or to whom this service is offered and accepted.

7 (2) "Commissioner" means the commissioner of the office of financial
8 institutions.

9 (3) "Licensee" means a person or entity licensed pursuant to this Chapter
10 that offers, processes, receives or accepts for delivery an application for a
11 refund anticipation loan to a borrower.

12 (4) "Refund anticipation loan" means a consumer loan made by a
13 licensee to a borrower in anticipation of the borrower's projected federal or
14 state tax refund.

15 §3579.4. Fees

16 In conjunction with a refund anticipation loan, a licensee may charge a
17 fee not to exceed sixteen and seventy-five one hundredths percent of the total
18 amount of the check issued by the licensee; provided, however, that such fee
19 does not exceed forty-five dollars, regardless of the name or type of charge.

20 §3579.5. Posting of notice; toll-free number

21 The commissioner shall provide a notice, which includes a toll-free
22 number to the commissioner's office, which shall be posted, along with the fees
23 as allowed under this Chapter, in a conspicuous manner by the licensee at the
24 lending location.

25 §3579.6. Powers of the commissioner; adoption of rules and regulations

26 A. The commissioner may apply the provisions of Parts I, VII, VIII, IX,
27 and X of Chapter 2 of this Code Title, the Louisiana Consumer Credit Law, for
28 purposes of administering and regulating the activities of licensees and the
29 provisions of this Chapter.

- 1 **B. The commissioner may adopt rules and regulations as he deems**
2 **necessary to implement the purposes and provisions of this Chapter.**

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Alan Miller.

DIGEST

Proposed law defines a "refund anticipation loan" as a consumer loan made by a licensee to a borrower in anticipation of the borrower's projected federal or state tax refund.

Proposed law defines a "licensee" as a person or entity licensed pursuant to proposed law that offers, processes, receives or accepts for delivery an application for a refund anticipation loan to a borrower.

Proposed law limits the fee to a maximum of 16.75% of the total amount of the check issued by the licensee, not to exceed \$45, regardless of the name or type of charge.

Proposed law requires the commissioner of financial institutions to provide a notice, which includes a toll-free number to the commissioner's office, to be posted, along with the fees as allowed under proposed law, in a conspicuous manner by the licensee at the lending location.

Proposed law authorizes the commissioner to apply the provisions of the La. Consumer Credit Law, for purposes of administering and regulating the activities of licensees and the provisions of proposed law.

Proposed law authorizes the commissioner to adopt rules and regulations as he deems necessary to implement the purposes and provisions of proposed law.

Effective August 15, 2010.

(Adds R.S. 9: 3579.1-3579.6)