

LFC Requester:	Rick Martinez, Jr.
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AGENCY BILL ANALYSIS
2013 REGULAR SESSION

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

And

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply: Date 01/17/13
 Original Amendment Bill No: HB 14--305
 Correction Substitute _____

Sponsor: Rep. Thomas A. Anderson Reviewing Attorney General's Office
 Short RELATING TO TRADE Person Writing L. Otero/M. Williams
 Title: PRACTICES; CREDIT Phone: 505.827.670 Email: lotero@nmag.gov

SECTION II: FISCAL IMPACT ****FOR LFC OFFICIAL PURPOSES****
AGO STAFF SHOULD LEAVE SHAGED AREAS BLANK

APPROPRIATION (dollars in thousands)

NA

Appropriation		Recurring or Nonrecurring	Fund Affected
FY13	FY14		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

NA

Duplicates/Relates to Appropriation in the General Appropriation Act

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY13	FY14	FY15		

(Parenthesis () Indicate Expenditure Decreases)

Duplicates, Relates to, Conflicts with, Companion to

NA

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY13	FY14	FY15	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

SECTION III: NARRATIVE

This analysis is neither a formal Attorney General’s Opinion nor an Attorney General’s Advisory Opinion Letter. This is a staff analysis in response to the agency’s committee’s or legislator’s request.

BILL SUMMARY

Summary Synopsis:

House Bill 14 proposes the enactment of a new section to the New Mexico Unfair Practices Act. The proposed new section states that if the extension of credit is done via a bank check, it is not misleading so long as the word “loan” and other material terms are conspicuous. In particular, the word “loan” is required to be five times larger than the words surrounding it.

FISCAL IMPLICATIONS WITH ENACTING THIS BILL

N/A

SIGNIFICANT LEGAL ISSUES

HB 14 provides that the extension of credit via a bank check without adequate notification that it is a loan constitutes an unfair and deceptive trade practice. HB 14 also states that an extension of pre-approved credit is not a misleading extension of credit when there is prominent notice that includes an explanation of interest due and the other terms of the credit.

Under HB 14, “adequate notification” means the printing of the loan in large, legible letters at least five times larger than the next smaller letters printed on the check, prominently displayed on the front of the bank check instrument.

Although, this bill is straightforward, it may be useful to further clarify that the purpose of the section is to put consumers on notice that pre-approved bank checks are “loans” and that the material terms of such loans must be prominently conveyed in a manner easily understood by the consumer.

PERFORMANCE IMPLICATIONS WITH ENACTING THIS BILL

N/A

ADMINISTRATIVE IMPLICATIONS WITH ENACTING THIS BILL

N/A

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP WITH BILLS

INTRODUCED THIS SESSION

N/A

TECHNICAL ISSUES OR DRAFTING ERROR

N/A.

OTHER SUBSTANTIVE LEGAL ISSUES

N/A

ALTERNATIVES TO ENACTING THIS BILL

N/A

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

Status quo.

AMENDMENTS NEEDED TO IMPROVE THIS BILL

N/A