

<b>LFC Requester:</b>	<b>Clint Elkins</b>
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**AGENCY BILL ANALYSIS  
2015 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

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*{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** February 18, 2015  
**Original**        **Amendment**      
**Correction**        **Substitute**        **Bill No:** SB 527a

**Sponsor:** Senator Clemente Sanchez    **Agency Code:** Attorney General's Office  
**Short**    Refund Anticipation Loan    **Person Writing**    Bridget Mullins, AAG  
**Title:**    Act    **Phone:** 505-800-2089    **Email** bmullins@nmag.gov

**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY15	FY16		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY15	FY16	FY17		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY15</b>	<b>FY16</b>	<b>FY17</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:

This is companion bill to HB 356. This bill interacts with HB 425 and SB 579.

Duplicates/Relates to Appropriation in the General Appropriation Act:

**SECTION III: NARRATIVE**

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

**BILL SUMMARY**

Synopsis: SB 579 proposes regulation requirements for Refund Anticipation Loans (RALs), including limitations on permitted charges and fees.

**FISCAL IMPLICATIONS**

Note: major assumptions underlying fiscal impact should be documented.

Note: if additional operating budget impact is estimated, assumptions and calculations should be reported in this section.

**SIGNIFICANT ISSUES**

The Comptroller of the Currency issued rules disallowing banks from using RAL products. The National Consumer Law Center recently testified before the U.S. Senate Committee on Finance about the dangerousness of this product to consumers.

Many RALs are taken by people who receive The Earned Income Tax Credit (EITC). The EITC is a federal anti-poverty initiative designed to give cash to low-income working parents. It may be contrary to the intent of that congressional tax act that any RALs be taken out against that federal money.

Sections 3 and 4 of this bill discuss permitted loan amounts and fees for RAL businesses. These sections may conflict with existing New Mexico law that prohibits unconscionable fees and interest rates on small loans products.

**PERFORMANCE IMPLICATIONS**

N/A

**ADMINISTRATIVE IMPLICATIONS**

N/A

**CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

This is companion bill to HB 356. This bill interacts with HB 425 and SB 579.

**TECHNICAL ISSUES**

N/A

**OTHER SUBSTANTIVE ISSUES**

N/A

**ALTERNATIVES**

N/A

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**Status quo**

**AMENDMENTS**

N/A