

Colorado Legislative Council Staff Fiscal Note

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-0972
Prime Sponsor(s): Rep. Melton
 Sen. Holbert

Date: April 30, 2015
Bill Status: House Business, Affairs and Labor
Fiscal Analyst: Clare Pramuk (303-866-2677)

BILL TOPIC: CONSUMER CREDIT FINANCE CHARGES

Fiscal Impact Summary	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		

**This summary shows changes from current law under the bill for each fiscal year.*

Summary of Legislation

This bill increases the unpaid balance limit for the current tiered maximum finance charges allowed on certain supervised loans and consumer credit sales. Under the bill, the unpaid balance limit for each tier of annual finance charge limits is increased as follows:

- finance charges of 36 percent on an unpaid balance of \$3,000 or less (increased from \$1,000 or less);
- finance charges of 21 percent on an unpaid balance of more than \$3,000 and less than \$5,000 (increased from more than \$1,000 to less than \$3,000); and
- finance charges of 15 percent on an unpaid balance that is more than \$5,000 (increased from more than \$3,000).

Background

Supervised loans and consumer credit sales issued by a Colorado lender must comply with the Colorado Uniform Consumer Credit Code (UCCC) which is administered by the Department of Law (department). The department does not receive a significant number of complaints on supervised loans and consumer credit sales made by Colorado licensees.

State Expenditures

This bill may result in a minimal increase in inquiries to the department about the unpaid balance limit increase, but this is not expected to require additional appropriations for administration, compliance, or enforcement.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Law