

ICBA/NM

Legislative Update

Usury, Title & Payday Loan Bills Tabled

HOUSE COMMITTEE ABBREVIATIONS

HAFC- Appropriations and Finance
HAGC- Agriculture and Water Resources
HBIC- Business and Industry
HCPAC- Consumer and Public Affairs
HCW- Committee of the whole
HEC-Education
HE&E- Enrolling and Engrossing
HENRC- Energy and Natural Resources
HGUAC- Government and Urban Affairs
HJC- Judiciary
HLC-Labor and Human Resources
HPSC-Printing and Supplies
HRC-Rules and Orders of Business
HTC-Transportation
HTRC-Taxation and Revenue
HVEC-Voters and Elections

SENATE COMMITTEE ABBREVIATIONS

SCC-Committees' Committee
SCONC-Conservation
SCORC-Corporations & Transportation
SCW-Committee of the Whole
SEC- Education
SIAC-Indian and Cultural Affairs
SFC-Finance
SJC- Judiciary
SPAC-Public Affairs
SRC-Rules

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Interim Task Force to Review Issues

Several measures designed to address perceived abuses by small lenders making car title, paycheck and tax refund anticipation loans have been laid to rest in the 2001 legislative session. While that is good news to the financial services industry in New Mexico, the manner by which the bills were tabled should sound a precautionary note to every lender in the state.

The House Business & Industry Committee tabled all of the measures after a lengthy hearing Thursday night.

In doing so, however, the Majority Whip, Representative James Taylor (D-Bernalillo) and the Minority Leader, Representative Ted Hobbs (R-Bernalillo) committed to the sponsors of the bills to ask the legislative leadership to appoint a task force this summer to examine the issues contained in the proposed legislation and to bring forth a legislative fix in the 2002 session.

Representative Miguel Garcia (D-Bernalillo) was the primary sponsor of House Bills 280, 870 and 871.

HB 280 sought to reinstate usury in the state. Garcia asked the committee to table that bill following heavy opposition

from lenders of all types and sizes.

The sponsor then turned his attention to measures providing regulatory authority over car title and paycheck lenders. Those bills, HB 870 and 871, were drafted by Attorney General Patricia Madrid's office.

After a committee-requested attempt to iron out differences between the AG's office and small lenders failed, the scene was set for the showdown which resulted in the bills being tabled.

Also included in the mix of bills to be considered this summer is HB 705 (Tax Refund Anticipation Loans) introduced by Representative Ray Begaye (D-San Juan) and HB 814 (Maximum Rates of Interest) introduced by Representative Leo Watchman (D-McKinley).

Proponents of all of these measures introduced in the 2001 session have been the American Association of Retired Persons (AARP) and Attorney General Patricia Madrid.

The task force is expected to be announced at the first meeting of the Legislative Council in April or May.

Privacy Measures

Tabled by HJC

Two measures establishing sweeping privacy provisions in state law were tabled this week by the House Judiciary Committee.

House Bills 750 (the Consumer Privacy Act) and 829 (the Health Information Privacy Act) were introduced by Majority Leader Danice Picraux (D-Bernalillo).

Both proposals were met by heavy business community opposition. As was the case with the car title and paycheck lending bills, the measures were supported by Attorney General Patricia Madrid.

Amendments to HB 750 - which sought to remove a conflict with the Gramm-Leach-Bliley Act and to limit the provisions of the bill when a business might be subject to more restrictive federal statutes - were not enough to mitigate ICBA/NM's opposition.

HB 829 was not amended prior to being tabled. It had been expected the bill would be substituted to mirror Senate Bill 676, introduced by Senator Manny Aragon (D-Bernalillo).

SB 676 narrowly passed the Senate (20-17) earlier this week. That measure now awaits hearing by the House Business & Industry and House Judiciary Committees.

Bill Tracking

ICBA/NM has been tracking over 70 pieces of legislation during the 2001 Legislature. Following is a report on the major measures as we begin the final week of this 60 day session.

HB 62 (Coll) ENACTING THE EMPLOYEE PROTECTION ACT; PROHIBITING EMPLOYER RETALIATORY ACTION AGAINST EMPLOYEES IN CERTAIN CIRCUMSTANCES; PROVIDING FOR GRIEVANCE PROCEDURES AND PENALTIES. FAILED/H(28-41).

HB 109 (Martinez) ENACTING THE UNIFORM PRINCIPAL AND INCOME ACT; REPEALING AND ENACTING SECTIONS OF THE NMSA 1978. PASSED/H(62-0) On the Senate Floor Sunday, 3/11/01.

HB 111 (Park) RELATING TO TRUSTS; ENACTING THE UNIFORM TRUST CODE; REPEALING SECTIONS OF THE NMSA 1978 PASSED/H(51-2)

HB 166 (Burpo) RELATING TO PUBLIC FINANCE; EXPANDING INVESTMENT OPPORTUNITIES FOR LOCAL GOVERNMENT PERMANENT FUNDS Tabled in HTRC.

HB 167 (Burpo) RELATING TO PUBLIC FINANCE; EXPANDING THE AUTHORIZED INVESTMENTS FOR CERTAIN COUNTY AND MUNICIPAL BONDS Tabled in HAFC.

HB 171 (Burpo) RELATING TO PUBLIC FINANCE; CLARIFYING PROVISIONS THAT GOVERN THE STATE TREASURER'S INVESTMENT OF THE SHORT-TERM INVESTMENT FUND Amended in SFC to reinstate requirement that local banks be offered excess funds before investing with the state. PASSED H/60-1. On Senate Floor Sunday, 3/11/01.

HB 173 (Burpo) RELATING TO TAXATION; AMENDING PROVISIONS OF THE WITHHOLDING TAX ACT TO PROVIDE FOR OPTIONAL WITHHOLDING FOR CERTAIN INTEREST PASSED/H(58-1) Placed on the President's Table on the Senate Floor.

HB 232 (Park) RELATING TO ELECTRONIC TRANSACTIONS; ENACTING THE UNIFORM ELECTRONIC TRANSACTIONS ACT; ESTABLISHING STANDARDS FOR THE USE OF ELECTRONIC RECORDS AND ELECTRONIC SIGNATURES IN TRANSACTIONS

PASSED/H(65-0)

HB 254 (Irwin) RELATING TO FINANCIAL INSTITUTIONS; CLARIFYING THE REQUIREMENT FOR SECURITY FOR PUBLIC DEPOSITS; DECLARING AN EMERGENCY PASSED/H(65-0) PASSED/S (33-0) Awaiting Governor's action.

HB 280 (Garcia) RELATING TO COMMERCIAL TRANSACTIONS; PROVIDING MAXIMUM RATES OF INTEREST FOR MOTOR VEHICLE LOANS Tabled in HBIC.

HB 308 (Martinez) RELATING TO MORTGAGES; CHANGING PROVISIONS OF THE MORTGAGE LOAN COMPANY AND LOAN BROKER ACT TO BRING MOST MORTGAGE PRACTITIONERS UNDER THE ACT'S REGISTRATION AND LICENSING REQUIREMENTS; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978 PASSED/H(63-0)

HB 408 (Martinez) RELATING TO COMMERCIAL TRANSACTIONS; REVISING THE SECURED TRANSACTIONS ARTICLE OF THE UNIFORM COMMERCIAL CODE; AMENDING OTHER LAWS TO CONFORM TO THE REVISED PROVISION; AMENDING, REPEALING AND ENACTING SECTIONS OF THE NMSA 1978 PASSED/H 62-0

HB 528 (Ruiz) RELATING TO UNEMPLOYMENT COMPENSATION; PROVIDING UNEMPLOYMENT BENEFITS TO PARENTS WHO LEAVE EMPLOYMENT TO BE WITH THEIR NEWBORNS OR NEWLY ADOPTED CHILDREN. Tabled in HBIC.

HB 546 (Burpo) RELATING TO FINANCIAL INSTITUTIONS; AMENDING THE SMALL BUSINESS INVESTMENT ACT;

PROVIDING FOR ALTERNATIVE COLLATERALIZATION OF INVESTMENTS; PROVIDING FOR DESIGNEES TO THE BOARD; PROVIDING FOR ADMINISTRATION OF THE BUSINESS INVESTMENT CORPORATION. PASSED/H 48-0

HB 565 (Burpo) RELATING TO COUNTIES; CLARIFYING THAT A COUNTY MAY ISSUE CHECKS AS WELL AS WARRANTS FOR PAYMENT OF MONEY FROM THE COUNTY TREASURY; AMENDING SECTIONS OF THE NMSA 1978. On House Floor Sunday, 3/11/01.

HB 608 (Mohorovic) RELATING TO ELECTRONIC RECORDS; PROVIDING FOR TECHNOLOGICAL NEUTRALITY; CHANGING DEFINITIONS; PROVIDING BROAD RULE-MAKING AUTHORITY; CHANGING RESPONSIBILITY FOR ELECTRONIC AUTHENTICATION OF DOCUMENTS FROM THE SECRETARY OF STATE TO THE INFORMATION TECHNOLOGY MANAGEMENT OFFICE; AMENDING AND REPEALING SECTIONS OF THE NMSA 1978. PASSED/H(65-0)

HB 750 02/22/2001 (Picraux) RELATING TO INFORMATION; ENACTING THE CONSUMER PRIVACY ACT TO PROTECT PERSONAL AND SENSITIVE INFORMATION PROVIDED BY CONSUMERS IN A COMMERCIAL CONTEXT; PROVIDING PENALTIES AND REMEDIES FOR VIOLATIONS; PROVIDING EXCEPTIONS. Tabled in HJC.

HB 814(Watchman) RELATING TO COMMERCIAL TRANSACTIONS; PROVIDING MAXIMUM RATES OF INTEREST FOR CERTAIN TRANSACTIONS. Tabled in HBIC.

HB 829(Picraux) RELATING TO HEALTH INFORMATION; LIMITING USE AND DISCLOSURE

OF HEALTH INFORMATION; PROVIDING PERSONAL RIGHTS; REQUIRING INFORMATION SAFEGUARDS; ESTABLISHING CIVIL AND CRIMINAL PENALTIES; ENACTING SECTIONS OF THE NMSA 1978. Tabled in HJC.

HB 870 (Garcia) RELATING TO FINANCIAL TRANSACTIONS; ENACTING THE PAYDAY LOAN ACT; REGULATING THE TERMS OF PAYDAY LOANS; PROVIDING FOR LICENSING OF PERSONS PROVIDING PAYDAY LOANS. Tabled in HBIC.

HB 871 (Garcia) RELATING TO LOANS; ENACTING THE CAR TITLE LOAN ACT; REGULATING THE TERMS OF CAR TITLE LOANS; PROVIDING FOR LICENSING PERSONS MAKING CAR TITLE LOANS. Tabled in HBIC

SB 126 (Kidd) RELATING TO CREDIT CARDS; ENACTING A NEW SECTION OF THE CREDIT CARD ACT TO REQUIRE THAT A CARD ISSUER PROVIDE CERTAIN INFORMATION ON EACH PERIODIC STATEMENT OF ACCOUNT. PASSED/S(19-16) Awaiting House Committees hearing.

SB 220 (Feldman) RELATING TO TELECOMMUNICATIONS; REGULATING TELEPHONE SOLICITATION ACTIVITIES; ENACTING THE TELEPHONE CONSUMER PRIVACY ACT. Tabled in SPAC

SB232 (Altimirano) RELATING TO THE INVESTMENT OF PUBLIC MONEY; AMENDING CERTAIN SECTIONS OF THE NMSA 1978 PERTAINING TO THE INVESTMENT OF THE PERMANENT FUNDS; AUTHORIZING THE STATE INVESTMENT OFFICER TO INVEST FOR TAX-EXEMPT PRIVATE ENDOWMENTS WHOSE

SOLE BENEFICIARY IS A STATE AGENCY Amended by SFC to allow funds to be invested in NM Banks. PASSED/S (37-1)

SB 290 (Jennings) RELATING TO PRIVACY; PROHIBITING VIOLATIONS OF A PERSON'S PRIVACY RIGHTS; PROVIDING PENALTIES. Tabled in SCORC

SB 309 (Leavell) RELATING TO INSURANCE; AUTHORIZING A LENDING INSTITUTION THAT IS A SUBSIDIARY OF A STATE OR FEDERALLY CHARTERED BANK TO BE LICENSED TO SELL TITLE INSURANCE. PASSED/S (36-0)

SB 422 (Griego) RELATING TO INSURANCE; REQUIRING KNOWLEDGE TESTING FOR LICENSING AS A TITLE INSURANCE AGENT. PASSED/S (35-1)

SJR 9 (Lyons) PROPOSING TO AMEND ARTICLE 8, SECTION 1 OF THE CONSTITUTION OF NEW MEXICO TO PROVIDE FOR LIMITING INCREASES IN THE VALUATION FOR PROPERTY TAX PURPOSES OF LAND USED PRIMARILY FOR AGRICULTURAL PURPOSES. In SRC awaiting hearing.

Next week we will provide you with a final report and our commentary on the 2001 Legislative Session.

Our most sincere THANKS! to all of our members who have responded to our calls for assistance during this session.