

1 AMENDMENT TO HOUSE BILL 4106

2 AMENDMENT NO. _____. Amend House Bill 4106 by replacing
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the
5 Tax Refund Anticipation Loan Disclosure Act.

6 Section 5. Definitions. The following definitions apply
7 in this Act:

8 "Creditor" means a person who individually or in
9 conjunction or cooperation with another person makes a refund
10 anticipation loan, processes, receives, or accepts for
11 delivery an application for a refund anticipation loan,
12 issues a check in payment of refund anticipation loan
13 proceeds, or in any other manner acts to allow the making of
14 a refund anticipation loan. "Creditor" does not include a
15 bank, savings and loan association, or credit union operating
16 under the laws of the United States or this State and does
17 not include any person who acts solely as an intermediary and
18 does not deal with the public in the making of the refund
19 anticipation loan.

20 "Debtor" means a person who receives the proceeds of a
21 refund anticipation loan.

22 "Refund anticipation loan" means a loan arranged to be

1 repaid directly from the proceeds of a debtor's income tax
2 refunds.

3 "Refund anticipation loan fee" means the charges, fees,
4 or other consideration charged or imposed by the creditor for
5 the making of a refund anticipation loan. A "refund
6 anticipation loan fee" does not include charges, fees, or
7 other consideration charged or imposed in the ordinary course
8 of business by a creditor for services that do not result in
9 the making of a loan, including fees for tax return
10 preparation and fees for electronic filing of tax returns.

11 Section 10. Disclosure requirements. At the time a
12 debtor applies for a refund anticipation loan, a creditor
13 shall disclose to the debtor on a document that is separate
14 from the loan application:

- 15 (1) the refund anticipation loan fee;
- 16 (2) the fee for preparing and electronically filing
17 a tax return;
- 18 (3) the date that the loan proceeds will be paid to
19 the debtor if the loan is approved;
- 20 (4) that the debtor is responsible for repayment of
21 the loan and related fees in the event the tax refund is
22 not paid or not paid in full; and
- 23 (5) the availability of electronic filing for the
24 income tax return of the debtor and the average time
25 announced by the federal Internal Revenue Service within
26 which the debtor can expect to receive a refund if the
27 debtor's return is filed electronically and the debtor
28 does not obtain a refund anticipation loan.

29 Section 15. Penalty. Any person who violates this Act is
30 guilty of a petty offense and shall be fined \$500 for each
31 offense. In addition, a creditor who violates this Act shall
32 be liable to any aggrieved debtor in an amount equal to 3

1 times the refund anticipation loan fee, plus a reasonable
2 attorney's fee, in a civil action brought in the circuit
3 court by the aggrieved debtor or by the Attorney General on
4 behalf of the aggrieved debtor.

5 Section 99. This Act takes effect on July 1, 2002."