

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009**

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**HOUSE BILL 1341
Committee Substitute Favorable 8/4/09**

Short Title: Study Consumer Finance Act. (Public)

Sponsors:

Referred to:

April 9, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO ESTABLISH THE JOINT LEGISLATIVE STUDY COMMISSION ON THE
3 MODERNIZATION OF NORTH CAROLINA BANKING LAWS AND THE
4 CONSUMER FINANCE ACT.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** There is created the Joint Legislative Study Commission on the
7 Modernization of North Carolina Banking Laws and the Consumer Finance Act. The purpose
8 of the Commission is to determine whether and to what extent the North Carolina Banking
9 Laws and the Consumer Finance Act (Article 15 of Chapter 53 of the General Statutes) need to
10 be updated.

11 **SECTION 2.** The Commission shall consist of 16 members as follows:

- 12 (1) Five members of the House of Representatives appointed by the Speaker of
13 the House of Representatives.
14 (2) Five members of the Senate appointed by the President Pro Tempore of the
15 Senate.
16 (3) One member of the consumer finance industry, one member representing a
17 State-chartered bank, and one member of a consumer advocacy organization,
18 each appointed by the Speaker of the House of Representatives.
19 (4) One member of the consumer finance industry, one member representing a
20 State-chartered bank, and one member of a consumer advocacy organization,
21 each appointed by the President Pro Tempore of the Senate.

22 **SECTION 3.** The Commission shall have two cochairs, one designated by the
23 Speaker of the House of Representatives and one designated by the President Pro Tempore of
24 the Senate from among their respective appointees. The Commission shall meet upon the call
25 of the cochairs. Any vacancy on the Commission shall be filled by the original appointing
26 authority. A quorum of the Commission shall be a majority of its members.

27 **SECTION 4.** The Commission shall study the following issues related to the
28 modernization of the North Carolina Consumer Finance Act:

- 29 (1) The increase in costs of operations for the consumer finance industry and its
30 impact on the delivery of products to the public.
31 (2) The maximum dollar amount that can be lent to an individual consumer.
32 (3) The appropriate rate of interest and fees to be charged for each level of
33 consumer transaction.
34 (4) Strategies for increasing consumer protection and disclosure.

35 **SECTION 5.** The Commission also shall study any issue related to the Banking
36 Laws of North Carolina that the Commission deems appropriate.



1 **SECTION 6.** Members of the Commission shall receive per diem, subsistence, and
2 travel allowances in accordance with G.S. 120-3.1, 138-5, or 138-6, as appropriate. The
3 Commission, while in the discharge of its official duties, may exercise all powers provided for
4 under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4. The Commission may meet in the
5 Legislative Building or the Legislative Office Building.

6 With approval of the Legislative Services Commission, the Legislative Services
7 Officer shall assign professional staff to assist the Commission in its work. The House of
8 Representatives' and the Senate's Directors of Legislative Assistants shall assign clerical staff to
9 the Commission, and the expenses relating to the clerical employees shall be borne by the
10 Commission. The Commission may contract for professional, clerical, or consultant services as
11 provided by G.S. 120-32.02. If the Commission hires a consultant, the consultant shall not be a
12 State employee or a person currently under contract with the State to provide services.

13 All State departments and agencies and local governments and their subdivisions
14 shall furnish the Commission with any information in their possession or available to them.

15 **SECTION 7.** The Commissioner of Banks shall use up to twenty-five thousand
16 dollars (\$25,000) of the funds available to the State Banking Commission for the 2009-2010
17 fiscal year to fund the study authorized by this act.

18 **SECTION 8.** The Commission shall report the results of its study and its
19 recommendations, including any proposed legislative changes, to the 2010 Regular Session of
20 the 2009 General Assembly. The Commission shall terminate on May 1, 2010, or upon the
21 filing of its final report, whichever occurs first.

22 **SECTION 9.** This act is effective when it becomes law.