

Prince George's County Council

Agenda Item Summary

Meeting Date: 10/5/2004
Reference No.: CB-105-2004
Draft No.: 1
Proposer(s): Hendershot
Sponsor(s):
Item Title: An Act providing for the licensing of businesses that advance money in anticipation of receiving income tax refunds, providing standards for operation, and providing penalties for violations

Drafter: Ralph E. Grutzmacher, Legislative Officer
Resource Personnel: Carol B. White, Legislative Aide

LEGISLATIVE HISTORY:

Date Presented: 10/5/2004
Committee Referral: 10/5/2004 - PSFM

Executive Action:
Effective Date:

Committee Action:
Date Introduced:
Public Hearing:
Council Action:
Council Votes:
Pass/Fail:
Remarks:

AFFECTED CODE SECTIONS:

05-2601, 05-2602, 05-2603, 05-2604, 05-2605, 05-2606, 05-2607, 05-2608, 05-2609, 05-2610, 05-2611, 05-2612, 05-2613, 05-2614

COMMITTEE REPORTS:

BACKGROUND INFORMATION/FISCAL IMPACT:

(Includes reason for proposal, as well as any unique statutory requirements)

Certain tax preparation businesses engage in predatory practices that encourage taxpayers to take out unnecessary loans in advance of receiving a tax refund. These practices are especially harmful to lower income persons, persons with limited English skills, and persons with limited business experience. These loans are associated with high fees, high rates of interest, and waivers of legal rights to obtain relief when justified. The proposed legislation will establish a business-licensing program for persons who make or arrange loans associated with income tax refunds, will provide restrictions on the most egregious practices, and provide for disclosures and notices designed to give unsophisticated consumers an opportunity to make an informed decision prior to entering into such loans.

CODE INDEX TOPICS:

INCLUSION FILES:
