

By Senator Meek

36-1200-00

See HB

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Senate Joint Resolution

A joint resolution proposing the creation of
Section 19 of Article X of the State
Constitution relating to limiting interest on
consumer loans or credit sales.

Be It Resolved by the Legislature of the State of Florida:

That the creation of the following Section 19 of
Article X of the State Constitution is agreed to and shall be
submitted to the electors of this state for approval or
rejection at the next general election or at an earlier
special election specifically authorized by law for that
purpose:

ARTICLE X
MISCELLANEOUS

Section 19. Consumer credit.--

(a) Any consumer loan or credit sale contract which
has a rate of interest greater than 31 percent per annum
simple interest is void as to principal and interest.

(b) As used in this section, the term "consumer loan
or credit sale" means credit of no more than \$500,000 that is
extended to a natural person in which the money, property, or
service which is the subject of the transaction is primarily
for personal, family, or household purposes.

(c) The provisions of this section shall not be
construed to repeal, modify, or limit provisions of federal
law creating exceptions to the general law governing interest
and usury and specifying the interest rates and charges which
may be made pursuant to such exceptions.

1 (d) The provisions of this section are not intended
2 and shall not be deemed to supersede or otherwise invalidate
3 any provisions of a commitment to insure by the Federal
4 Housing Administration; a commitment to guarantee by the
5 United States Department of Veterans Affairs; or a commitment
6 to purchase a loan issued by the Federal National Mortgage
7 Association, Governmental National Mortgage Association,
8 Federal Home Loan Mortgage Corporation, any department,
9 agency, or instrumentality of the Federal Government, or any
10 successor of such corporation, association, department,
11 agency, or instrumentality, pursuant to any provision of the
12 acts of Congress or federal regulations.

13 (e) The provisions of this section supersede and
14 repeal all provisions of the laws of this state which set a
15 maximum rate of interest chargeable in this state in excess of
16 the limit established by this section or which are otherwise
17 inconsistent with this section.

18 (f) This section applies only to loans or advances of
19 credit made after the effective date of this section. All laws
20 in existence before the effective date of this section shall
21 remain in full force and effect as to loans and advances of
22 credit made before the effective date of this section.

23 BE IT FURTHER RESOLVED that the following statement be
24 placed on the ballot:

25 CONSTITUTIONAL AMENDMENT

26 ARTICLE X, SECTION 19

27 CONSUMER CREDIT.--Proposing an amendment to the State
28 Constitution to limit to 31 percent per annum simple interest
29 the amount of interest chargeable on consumer loans or credit
30 sales.

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