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HOUSE MEMORIAL 29

45TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2001

INTRODUCED BY

Patsy Trujillo Knauer

A MEMORIAL

REQUESTING THE OFFICE OF THE ATTORNEY GENERAL TO REVIEW AND
PUBLICIZE THE CONSUMER ASPECTS OF A RECENT FEDERAL COURT
DECISION BARRING FALSELY ADVERTISED "TAX REFUND LOANS".

WHEREAS, the New Mexico legislature is committed to the
highest standards for consumer protection; and

WHEREAS, some tax practitioners and loan companies in New
Mexico exploit consumers by deceptively marketing "tax refund
advances", which are in fact loans, generally at exorbitant
rates of interest; and

WHEREAS, this specific practice has been barred
nationwide in a federal court injunction issued February 29 in
JTH Tax versus H & R Block, which forbids advertising that utilizes
"tax refund" language so consumers are led to believe they
have access to their tax refund when in fact they are

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1 committing themselves to a high-interest loan; and

2 WHEREAS, the office of the attorney general has the
3 responsibility to enforce the laws of the state in
4 coordination with federal laws and court decisions;

5 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF
6 REPRESENTATIVES OF THE STATE OF NEW MEXICO that the office of
7 the attorney general review the recent federal injunction in
8 the *JTH Tax versus H & R Block* case barring misleading advertising
9 by tax practitioners that inappropriately utilizes "tax
10 refund" terminology; and

11 BE IT FURTHER RESOLVED that the office of the attorney
12 general take all appropriate action and make any legislative
13 recommendations necessary for consumer protection from
14 misleading advertising and exploitive practices by tax
15 practitioners and loan companies to the interim courts and
16 criminal justice committee and the interim revenue
17 stabilization and tax policy committee at their October 2001
18 meetings; and

19 BE IT FURTHER RESOLVED that copies of this memorial be
20 transmitted to the office of the attorney general, the interim
21 courts and criminal justice committee and the interim revenue
22 stabilization and tax policy committee.