

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 committing themselves to a high-interest loan; and

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

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

refund" terminology; and

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

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