

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1409-01  
Bill No.: HB 587 with HCA 1  
Subject: Banks and Financial Institutions; Credit Bankruptcy  
Type: Original  
Date: February 11, 2015

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Bill Summary: This proposal modifies provisions relating to licensing fees paid by the entities and persons licensed under the Missouri Sale of Checks Law, credit service organizations and consumer credit lenders.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
Finance Fund	\$546,300	\$533,800	\$521,300
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$546,300</b>	<b>\$533,800</b>	<b>\$521,300</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP)** assume this proposal would affect consumer credit companies licensed under Sections 361.707, 361.715, 364.030, 364.105, 365.030, 367.140, 407.640 and 408.500 by increasing fees payable to Division of Finance by two hundred dollars to ensure that the consumer credit section collects enough monies to adequately fund their personal service and expense and equipment expenses. In FY13 and FY14, the consumer credit section revenues were less than their expenses.

DIFP also assumes that all 2,819 consumer credit companies will pay the additional \$200 fee to remain in business (2,819 X \$200 = \$563,800). The department anticipates 25 Title Lenders will not renew the title lender license but will maintain the consumer credit license (25 x \$500 = \$12,500) - (25 X \$1,200 = \$30,000) = (\$17,500) for a total in FY 2016 of \$546,300 increased revenue to the Finance Fund.

**This proposal will increase total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>FINANCE FUND</b>			
<u>Revenue - DIFP - Increased fees</u>	<u>\$546,300</u>	<u>\$533,800</u>	<u>\$521,300</u>
<b>ESTIMATED NET EFFECT ON FINANCE FUND</b>	<b><u>\$546,300</u></b>	<b><u>\$533,800</u></b>	<b><u>\$521,300</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

Small consumer credit businesses will be required to pay an increased fee for licensing to operate.

FISCAL DESCRIPTION

This proposal increases certain fees paid to the Director of the Division of Finance.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration



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February 11, 2015