

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1672-02
Bill No.: Perfected SCS for SB 345
Subject: Banks and Financial Institutions; Business and Commerce; Fees; Licenses -
Miscellaneous
Type: Original
Date: April 1, 2015

Bill Summary: This proposal increases fees imposed by the Director of the Division of Finance.

FISCAL SUMMARY

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

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

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

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

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

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

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, 367.509, 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 regulate these entities.

DIFP anticipates that the current trend of title loan lenders (Section 367.509) converting their license type to a small loan license (Section 367.140) will continue. DIFP estimates the fiscal impact to be \$546,300 in FY16, \$533,800 in FY17 and \$521,300 in FY18.

Current License Fee	Proposed License Fee	Current Revenue	Estimated Revenue FY16	Estimated Revenue FY17	Estimated Revenue FY18
\$100	\$300	\$11,100	\$33,300	\$33,300	\$33,300
\$300	\$500	\$804,900	\$1,354,000	\$1,366,500	\$1,379,000
\$1,000	\$1,000	<u>\$84,000</u>	<u>\$59,000</u>	<u>\$34,000</u>	<u>\$9,000</u>
Total Revenue		\$900,000	\$1,446,300	\$1,433,800	\$1,421,300
Net Revenue Increase			\$546,300	\$533,800	\$521,300

This proposal will increase total state revenue.

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

FISCAL IMPACT - Small Business

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

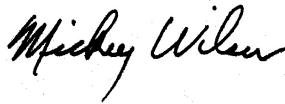
FISCAL DESCRIPTION

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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Director
April 1, 2015

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April 1, 2015