

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5676-01
Bill No.: SB 882
Subject: Attorneys; Banks and Financial Institutions; Business and Commerce; Consumer Protection; Contracts and Contractors; Department of Insurance, Financial Institutions and Professional Registration
Type: Original
Date: February 2, 2016

Bill Summary: This proposal establishes the Consumer Legal Funding Model Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	Less than \$100,000	Less than \$100,000	Less than \$100,000
Total Estimated Net Effect on General Revenue	Less than \$100,000	Less than \$100,000	Less than \$100,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

In response to a similar proposal from this session, HB 1706, officials from the **Department of Insurance, Financial Institutions and Professional Registration** stated that it is unknown how many civil justice funding companies may need to be registered. The department believes it can absorb the potential registration for a small number of entities. However, should the number of entities be greater than anticipated, or there are a large number of hearings, the department would request additional appropriation and/or FTE through the budget process.

Oversight assumes income of less than \$100,000 from applications (\$500) and renewals (\$200 every 2 years) in Section 436.570, RSMo.

Officials from the **Office of the State Courts Administrator** assume the current proposal would not fiscally impact their agency.

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

This proposal may increase total state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Income - DIFP</u>			
Registration and Renewal Fees (§436.570)	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses providing consumer legal funding may be fiscally impacted by this proposal.

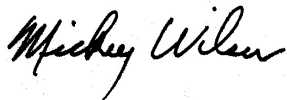
FISCAL DESCRIPTION

This proposal establishes the Consumer Legal Funding Model Act that requires all consumer legal fundings to meet certain specified requirements.

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
Attorney General's Office
Office of the State Courts Administrator



Mickey Wilson, CPA
Director
February 2, 2016

Ross Strobe
Assistant Director
February 2, 2016