

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6024-01  
Bill No.: SB 957  
Subject: Attorneys; Banks and Financial Institutions; Bonds - Surety; Business and Commerce; Consumer Protection; Contracts and Contractors; Credit and Bankruptcy; Fees; Department of Insurance, Financial Institutions and Professional Registration  
Type: Original  
Date: February 26, 2018

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	Less than \$20,000	Less than \$20,000	Less than \$20,000
<b>Total Estimated Net Effect on General Revenue</b>	<b>Less than \$20,000</b>	<b>Less than \$20,000</b>	<b>Less than \$20,000</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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)** state that this bill requires that consumer legal funding companies register with the "Department of Insurance, Financial Institutions and Professional Registration." For the purposes of this fiscal note, DIFP assumes that it is the intent of this legislation that the registration, enforcement and rule promulgation required by this proposal will be the responsibility of the Division of Finance. As such, the division believes it can absorb the these responsibilities for a small number of companies. Should the number of registrations be greater than anticipated, the division would request additional resources through the budget process. However, if registration, enforcement and rule promulgation is intended to be with the department's insurance divisions an appropriation from general revenue for the necessary staff and expenses will be required before the provisions of this proposal can be implemented.

**Oversight** assumes income of less than \$20,000 from applications (\$500) and renewals (\$200 every 2 years) in Section 436.570, RSMo.

Officials from the **Attorney General's Office (AGO)** assume any potential cost arising from this proposal can be absorbed with existing resources. AGO may seek additional appropriations if the proposal results in a significant increase in cases.

Officials from the **Office of the State Courts Administrator** assume there may be some fiscal impact but there no way to quantify that currently. Any significant changes will be reflected in future budget request.

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

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
Revenue - DIFP	Less than	Less than	Less than
Registration and Renewal Fees (Section 436.570)	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$20,000</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>Less than <u>\$20,000</u></b>	<b>Less than <u>\$20,000</u></b>	<b>Less than <u>\$20,000</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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 funding contracts 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

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Acting Director  
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