

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0676S.04P
Bill No.: Perfected SS for SCS for SB 97
Subject: Banks and Financial Institutions
Type: Original
Date: February 19, 2025

Bill Summary: This proposal modifies various provisions relating to banks and trust companies.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§427.300 – Commercial Financing Disclosure Law

In response to a similar proposal from 2024 (SB 753), officials from the **Department of Commerce and Insurance (DCI)** stated there are very few companies that provide the types of commercial financing products described in this section, though the Division of Finance (DOF) does not have an exact number. When California passed something similar, they had two companies; DOF assumes Missouri will have less than five. The initial registration would be set at \$100 each, so up to \$500 total revenue in the first year. If all of the companies renewed annually, at \$50 each, subsequent years' revenue would be \$250. The registration process is not work-intensive and would cost about \$36.53 to process ($\frac{1}{2}$ hour for an AOSA @\$19.91/hour + $\frac{1}{2}$ hour for an Examiner @ \$53.15/hour = \$36.53). For five registrations, each year would cost \$182.61. Since there is no review or enforcement authority granted in the language, that is the extent of the fiscal impact.

	FY 2024	FY 2025	FY 2026
Revenue	\$0-\$500	\$0-\$250	\$0-250
Expense	(\$183-\$0)	(\$186-\$0)	(\$190-\$0)
Net Effect	\$0-\$317	\$0-\$64	\$0-\$60

Oversight assumes these amounts are not material and will not reflect them in the fiscal note.

In response to a similar proposal from 2023 (SB 187), officials from the **Attorney General's Office (AGO)** assumed no fiscal impact from the proposal.

§§362.020, 362.247, 362.275, 362.295, 362.490, and 447.200

In response to a previous version, officials from the **Department of Commerce and Insurance**, the **Department of Corrections**, the **Department of Public Safety - Missouri Highway Patrol**, the **Office of the State Public Defender**, the **Missouri Office of Prosecution Services** and **Kansas City** each assumed the proposal will have no fiscal impact on their organization.

Upon further inquiry, per the **DCI -Division of Finance**, there will be no impact to the division of finance and this will not create or lessen what goes to unclaimed property.

In response to a previous version, officials from the **Office of the State Courts Administrator** assumed the proposal will have no fiscal impact on their organization.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Allowing certain banks and trust companies to issue additional shares of capital stock under certain conditions could have a fiscal impact on small businesses as a result of this proposal.

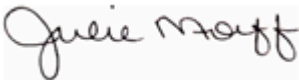
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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 Commerce and Insurance
Department of Corrections
Department of Public Safety - Missouri Highway Patrol
Office of the State Public Defender
Missouri Office of Prosecution Services
Office of the State Courts Administrator
Kansas City



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February 19, 2025



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