

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0610-01
Bill No.: SB 186
Subject: Banks & Financial Institutions, Credit, Savings & Loans, Dept. of Economic Dev.
Type: Original
Date: January 15, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Economic Development–Division of Finance and Division of Credit Unions** assume the proposal would have no effect on their agencies.

The **Division of Finance** noted in their response that the proposal duplicates existing regulations, as it does not add to powers available to lenders licensed under RSMo. 408.500 and 367.100-367.215. It is the opinion of **Oversight** that lenders licensed under these sections must also meet additional requirements under this proposal, if engaged in deferred presentment services.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses operating as payday lenders would be required to meet the stipulations of the proposal.

DESCRIPTION

This act allows persons licensed under Section 408.500, RSMo, and Sections 367.100 to 367.210, RSMo, to provide deferred presentment services. Borrowers will be allowed to rescind the transaction without penalty the following day if the loan is paid in full. A licensee must post the fees associated with deferred presentment loans and require specific information in the loan agreement. Also, a licensee must cash the check provided by the borrower within thirty-one days after the date the check is received by the licensee.

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 Economic Development
Division of Finance
Division of Credit Unions

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
January 15, 2001