

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0645-01
Bill No.: Truly Agreed and Finally Passed SB 179
Subject: Banks & Financial Institutions, Mortgages & Deeds, Property–Real & Personal
Type: Original
Date: May 1, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
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	\$0	\$0	\$0
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–Divisions of Finance, Credit Unions, and Insurance**, and the **Department of Insurance** assume the proposal would have no fiscal impact on their agencies.

<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

This proposal would allow mortgage brokers to substitute a surety bond for the required annual audit. The Department of Economic Development notes that it is possible that some brokers will be able to obtain the bond at a lower cost than the audit.

Oversight notes that some CPA firms currently providing the required audit services likely may be classified as small businesses, and may be adversely affected by the proposal.

DESCRIPTION

This act exempts residential mortgage brokers from filing annual audits if they have posted a surety bond in an amount of \$100,000.

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
 Division of Professional Registration
Department of Insurance



Jeanne Jarrett, CPA
Director

May 1, 2001