

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1519-08
Bill No.: Truly Agreed & Finally Passed HCS for SCS for SB 382
Subject: Banks & Financial Information; Consumer Protection
Type: Original
Date: May 7, 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 with the **Department of Economic Development–Division of Finance and Division of Credit Unions**, the **Department of Insurance**, the **Office of State Courts Administrator**, the **Office of the Secretary of State–Securities Division** and the **Office of the Attorney General** assume the proposal will have no fiscal impact on their agencies.

The **Office of the Secretary of State (SOS)** assumes the Divisions of Finance and Credit Unions will promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by the Divisions of Finance and Credit Unions could require as many as approximately 12 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<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 could have a direct fiscal impact on financial institutions classified as small businesses.

DESCRIPTION

This act prohibits any person from disclosing "nonpublic private information" to a third party. The state agencies regulating activities of financial institutions which are subject to Title V of the Gramm-Leach-Bliley Financial Modernization Act of 1999 have rulemaking authority to carry out this provision. Any rule created cannot be more restrictive than those in Title V of the Gramm-Leach-Bliley Financial Modernization Act of 1999.

This act requires that the financial institution disclose its privacy policy at the time the relationship is established between consumers as new customers on or after July 1, 2001; and the financial institution must disclose the privacy policy to all existing customers by June 30, 2002.

This act has an emergency clause and will be effective upon its passage and approval on July 1, 2001, whichever is later.

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
Department of Insurance
Office of the Secretary of State
Office of the Attorney General
Office of State Courts Administrator



Jeanne Jarrett, CPA
Director

May 7, 2001