

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3555-05
Bill No.: Truly Agreed To and Finally Passed SS for SCS for SB 884
Subject: Banks and Financial Institutions, Business and Commerce, Consumer Protection,
Credit and Bankruptcy
Type: Original
Date: May 20, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Division of Finance** state that the proposed legislation imposes no additional duties on either division, therefore there is no fiscal impact.

Officials from the **Department of Economic Development - Division of Credit Unions** and the **Office of State Courts Administrator** state there would be no fiscal impact on their agencies.

Officials from the **Office of Prosecution Services** indicated that any costs to prosecutors could be absorbed.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposed legislation could have an impact on businesses dealing in payday loans due to restrictions on fee amounts charged on certain unsecured consumer loan transactions in which cash is advanced.

DESCRIPTION

This proposed legislation limits fees to be charged on payday loans to fifteen dollars per one hundred dollars of principal for the first thirty days and three percent per month for any loan extended beyond thirty days. A payday lender cannot have two outstanding loans to the same person at any one time. One payday loan cannot be repaid by the proceeds of another payday loan from the same lender.

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
Office of State Courts Administrator
Office of Prosecution Services



Mickey Wilson, CPA
Acting Director
May 20, 2002