

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3624-02
Bill No.: Perfected SB 895
Subject: Banks and Financial Institutions; Bonds-General Obligation and Revenue;
 Business and Commerce; Commercial Code; Credit and Bankruptcy; Fees;
 Insurance-General; Liens; Manufactured Housing; Property, Real and Personal;
 Savings and Loan
Type: Original
Date: February 27, 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 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Division of Finance** and **Division of Credit Unions, Office of State Courts Administrator, Office of State Treasurer, Office of State Auditor,** and the **Office of Secretary of State - Division of Corporations** indicated there would be no fiscal impact to their agencies.

Officials from the **Department of Revenue - Division of Motor Vehicle and Drivers Licensing** stated the proposed legislation would require policy, procedure and forms changes relating to liens on manufactured homes, but the minimal fiscal impact could be absorbed.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Economic Development - Division of Finance could require as many as 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 the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$738 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.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.

In response to the introduced version of this proposal, the **Department of Insurance** and the **Office of Administration - Division of Budget and Planning** indicated there would be no fiscal impact to their agencies.

<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
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<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

Small business could be impacted fiscally by increases in fees.

DESCRIPTION

This proposed legislation makes a number of changes related to financial institutions and services involving financial institutions:

Section 30.270 - Certain out-of-state bonds are now acceptable.

Section 362.020 - Articles of agreement involving a bank shall include additional information on shareholder rights.

Section 362.111 - Banks, savings and loan associations and state savings banks are granted new powers currently permitted for national banks, federal savings and loan associations, and federal savings banks.

Section 362.117 - Changes made to the procedure used by a bank to become a trust company.

Section 362.170 - Restrictions regarding the amount of unimpaired capital lent by a bank and investment in the stock of a private corporation are amended.

Section 362.275 - Changes procedures for the actions of a board of directors of a bank when immediate action is required.

Section 462.335 - Makes changes to the power of a bank to appoint officers.

Section 365.100 - Charges for late payment in motor vehicle installment contracts are amended.

Section 375.065 - New types of credit insurance may be sold by credit insurance agents.

Section 400.9-303 and Section 700.350.5 - Changes the perfection rights for liens on manufactured homes. These changes are considered remedial in nature.

Section 408.140 - Changes the type and amount of fees that can be charged on small loans.

Sections 364.120; 365.140; 385.050; 408.083; 408.170; 408.320 - The actuarial method shall be used to calculate refunds due to persons in premium finance agreements, retail installment contracts, credit insurance agreements, retail time contracts, and any note or loan contract providing for an amount of interest that are prepaid in full.

DESCRIPTION (continued)

Section 700.350.6 - If a title to a manufactured home is not provided within 30 days of delivery of the home, in the cases of new sales of such homes, then the sale shall be voidable from the beginning.

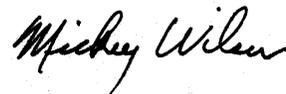
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance
Office of State Courts Administrator
Office of State Treasurer
Office of State Auditor
Office of Administration
 Division of Budget and Planning
Office of Secretary of State
 Division of Corporations
 Division of Administrative Rules
Department of Economic Development
 Division of Finance
 Division of Credit Unions
Department of Revenue

Not Responding

Office of Attorney General



Mickey Wilson, CPA
Acting Director

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