

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0100-03  
Bill No.: HB 132  
Subject: Banks and Financial Institutions; Business and Commerce; Consumer Protection;  
 Credit and Bankruptcy  
Type: Original  
Date: January 25, 2011

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Bill Summary: Changes the laws regarding unsecured loans of \$500 or less, commonly known as payday loans.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of State Courts Administrator, Department of Insurance, Financial Institutions and Professional Registration and Department of Health and Senior Services** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Office of Attorney General (AGO)** state this proposal grants the AGO two new powers: to issue cease and desist orders along with the Division of finance and to file enforcement actions in circuit court. The AGO assumes that there is the potential for a small increase in caseload and therefore, would request 0.5 FTE Assistant Attorney General 1 and 0.5 FTE Investigator. The AGO assumes FY 12 costs of \$66,970; FY 13 costs of \$71,617; and FY 14 costs of \$72,511.

**Oversight** assumes the AGO would not hire 2 half-time FTEs, but would instead allocate the additional workload among existing staff. If the AGO's caseload increased sufficiently to hire full-time staff, the AGO could request additional funding through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### FISCAL IMPACT - Small Business

The proposal could negatively impact small business payday loan companies, both administratively and financially, as it will limit the number of loans consumers can have with a particular lender and limits the interest rate that can be charged on loans.

### FISCAL DESCRIPTION

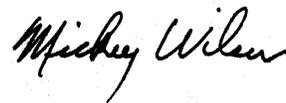
The proposed legislation appears to have no fiscal impact.

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

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SOURCES OF INFORMATION

Office of Attorney General  
Office of State Courts Administrator  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Health and Senior Services

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent "M" and "W".

Mickey Wilson, CPA  
Director  
January 25, 2011