

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3285-02
BILL NO.: HB 1617
SUBJECT: Check-Cashing Businesses
TYPE: Original
DATE: February 8, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Division of Finance	\$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 2001	FY 2002	FY 2003
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 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development - Division of Finance (DOF)** assume the proposal would require the licensing of 100 check cashing businesses statewide. DOF officials assume that investigations and examinations could be accomplished with one full-time examiner and one half-time secretary, plus related expenses. DOF officials calculated the cost to be \$66,479 for FY 2001, \$77,478 for FY 2002 and \$79,455 for FY 2003. They assume that fees charged to the licensees would be set at an amount that would offset these costs. Therefore, the net fiscal impact as a result of the proposal would be zero.

Officials of the **Office of the Secretary of State (SOS)** assume that based on experience with other divisions, the rules, regulations and forms issued by the Division of Finance could require as many as approximately 18 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register*. SOS officials estimate the cost based on costs per page of \$26.50 for the *Code* and \$22.50 for the *Register* to be approximately \$1,085. Future fiscal impact is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn.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.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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DIVISION OF FINANCE FUND

Income-Division of Finance

Fees from check-cashing businesses	\$66,479	\$77,478	\$79,455
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Costs-Division of Finance

Personal services (1.5 FTE)	(\$43,118)	(\$53,057)	(\$54,384)
Fringe benefits	(\$13,259)	(\$16,315)	(\$16,723)
Equipment and expense (continued)	<u>(\$10,102)</u>	<u>(\$8,106)</u>	<u>(\$8,348)</u>

Total <u>costs</u> - Division of Finance	(\$66,479)	(\$77,478)	(\$79,455)
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	FY 2001 (10 Mo.)	FY 2002	FY 2003
<u>FISCAL IMPACT - State Government</u>			
ESTIMATED NET EFFECT ON			
DIVISION OF FINANCE FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

Check-cashing businesses would be fiscally impacted by the proposal.

DESCRIPTION

The proposal would require check-cashing businesses to be regulated by the Division of Finance within the Department of Economic Development.

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
Office of the Secretary of State

NOT RESPONDING: Office of the Attorney General



Jeanne Jarrett, CPA
Director
February 8, 2000