

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1329-01
Bill No.: HB 572
Subject: Banks & Financial Institutions; Crimes & Punishment
Type: Original
Date: February 27, 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*	Unknown	Unknown	Unknown

* Expected to exceed \$100,000 in any given year.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials with the **Office of the Attorney General** and the **Department of Economic Development—Divisions of Finance and Credit Unions** assume the proposal will have no impact to their agencies.

Officials of the **Office of Prosecution Services** and the **Boone County Prosecutor’s Office** stated that this proposal would tie the collection of administrative fees to criminal charges filed rather than “bad checks” processed. At this time, the administrative fee is charged based on the number of checks that are “turned over” for collection and processed by the office, therefore, to estimate the increase is unknown. Officials stated that the collection of administrative fees pursuant to this bill might be increased, but, the costs of collecting the fees pursuant to this proposal would be significantly higher.

Oversight assumes the process that Prosecutors use to collect bad checks is not dealt with by this proposal. Oversight assumes this proposal increases the administrative handling fees that can be collected by Prosecutors when taking action to collect bad checks, therefore, Oversight will show fiscal impact as a positive unknown to County Prosecutors/ Circuit Attorneys Special Fund.

<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
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COUNTY PROSECUTOR/CIRCUIT ATTORNEY’S SPECIAL FUND

<u>Income</u> to Prosecutor’s Special Fund from increase in administrative handling fees*	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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*** Oversight assumes the increase in fees, on a statewide basis, is indeterminable and is shown as unknown. Oversight expects the increase in fees to exceed \$100,000.**

FISCAL IMPACT - Small Business

This bill could have a direct fiscal impact on small businesses, in that any prosecutors not currently collecting a service charge from the issuer for the recipient of a bad check will now be required to do so. Additional administrative fees may also cause some reduction in the number of bad checks passed.

DESCRIPTION

This bill makes several changes to the crime of passing bad checks. The bill allows the prosecuting attorney to charge, in addition to any other costs and fees, an administrative handling cost of \$25 per bad check. If the bad check is for \$100 or more, an additional fee of 10% of the check may be assessed, not to exceed \$50. Currently, prosecutors may recover administrative handling costs of \$5 for checks less than \$10; \$10 for checks of \$10, but less than \$100; and \$25 for checks of \$100 or more.

The bill also requires the prosecutor to collect from the issuer of a bad check a reasonable service charge to turn over to the recipient of the bad check. Currently, this is a discretionary duty.

If a check is dishonored but not referred to the prosecutor, the bill allows the recipient to collect from the issuer the face amount of the check, a reasonable service charge not to exceed \$30, and an amount equal to the charge by the bank for the return of each check.

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

Office of the Attorney General
Department of Economic Development
 Division of Finance
 Division of Credit Unions
Office of Prosecution Services



Jeanne Jarrett, CPA
Director

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