

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5224-02  
Bill No.: HB 1975  
Subject: # Banks and Financial Institutions: Credit Unions; Economic Development  
 Department  
Type: # Corrected  
Date: April 4, 2006  
 # To Correct Subject Line

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<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 2007	FY 2008	FY 2009
<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 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</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** assume there will be no fiscal impact on the Courts.

Officials from the **Department of Insurance, Department of Revenue, and Department of Economic Development - Division of Credit Unions** state this proposal will have no fiscal impact on their respective agencies.

Officials from the **Department of Economic Development - Division of Finance** state that additional duties associated with this proposal could be accomplished with existing staff and resources.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
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\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

SECTION 361.711

This proposal would affect the money order (sale of checks) law by clarifying the required amount of licensee's bonds and the purposes for which such bonds could be reached. The proposal also allows the Director of Finance to examine the books and records of such licensees (at the licensee's expense) when appropriate.

SECTION 361.715

This section of the proposal authorizes the Director of Finance to do background investigations to determine applicants' fitness to be licensed and also authorizes a fee for amending licenses.

SECTION 362.275

This section concerns bank reports which must be reviewed by a bank's directors to make more relevant information available to the board and to eliminate information that is no longer needed.

SECTION 362.445

This section of the proposal makes legal process on a bank consistent with the other provisions of civil procedure.

SECTION 408.555

The notice of default and right to cure law, is amended in subsection .3 to clarify the availability of three such formal notices on a 2nd deed of trust (rather than the two available in all other covered transactions). Subsection .4 is amended to include late charges and expenses of a foreclosure in the amount necessary to cure a default after time has run but before actual sale has been completed. The same subsection is amended to remove the criminal sanctions for a

DESCRIPTION (Continued)

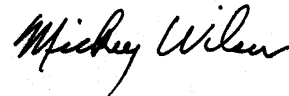
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wrongful foreclosure and is further amended to state that "only three defaults are permitted".

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  
Department of Insurance  
Department of Revenue  
Office of State Courts Administrator



Mickey Wilson, CPA  
Director  
April 4, 2006