

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4900-01  
Bill No.: HB 2116  
Subject: Credit and Bankruptcy; Business and Commerce  
Type: Original  
Date: April 16, 2010

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

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<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 will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General (AGO)** state the 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 a potential for a small increase in caseload, and therefore, requests 0.5 FTE Assistant Attorney General I and 0.5 FTE Investigator. The AGO estimates FY 11 expenses of \$66,516; FY 12 expenses of \$80,561; and FY 13 expenses of \$82,975.

**Oversight** assumes the AGO would not hire two part-time individuals, but would instead assign the additional duties to existing staff. If, in the future, the AGO's caseload increases sufficiently to warrant hiring personnel, additional funding could be requested through the appropriations process.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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### FISCAL IMPACT - Small Business

The proposal would directly impact small business payday loan lenders that may have already established locations on the premises of a nursing home property, residential care facility, assisted living facility, intermediate care facility, or skilled nursing facility.

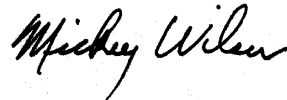
### FISCAL DESCRIPTION

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.

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, flowing style.

Mickey Wilson, CPA  
Director  
April 16, 2010