

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 317** HLS 15RS 1075

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 20, 2015	4:13 PM	<b>Author:</b> PONTI
<b>Dept./Agy.:</b> Financial Institutions		<b>Analyst:</b> Travis McIlwain
<b>Subject:</b> Licensed Lenders		

FINANCIAL INSTITUTIONS EG +\$102,200 SG RV See Note Page 1 of 1  
Provides relative to licensing fees for lenders licensed to make consumer loans

Proposed bill increases the initial application, survey and license fee for a license to make consumer loans from \$500 to \$600. Proposed bill increases the annual renewal fee from \$450 to \$500.

<b>EXPENDITURES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$102,200	\$104,300	\$106,300	\$108,200	\$110,000	<b>\$531,000</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$102,200</b>	<b>\$104,300</b>	<b>\$106,300</b>	<b>\$108,200</b>	<b>\$110,000</b>	<b>\$531,000</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

The proposed bill is anticipated to result in a projected revenue increase of approximately \$102,000 in FY 16 increasing in subsequent fiscal years up to approximately \$110,000 in FY 20. This legislation impacts licensed lenders and increases the application fee \$100 (from \$500 to \$600) and increases the annual renewal fee \$50 (from \$450 to \$500). The revenue projection is based upon the average number of new applications per year (138), the current number of licensees (1,768) and a typical 95% license renewal rate of license holders. See calculations below.

- FY 16:  $(138 \times \$100) + (1,768 \times \$50) = \$102,200$
- FY 17:  $(1,768 + 138) \times 95\% = 1,810; (1,810 \times \$50) + (138 \times \$100) = \$104,300$
- FY 18:  $(1,810 + 138) \times 95\% = 1,850; (1,850 \times \$50) + (138 \times \$100) = \$106,300$
- FY 19:  $(1,850 + 138) \times 95\% = 1,888; (1,888 \times \$50) + (138 \times \$100) = \$108,200$
- FY 20:  $(1,888 + 138) \times 95\% = 1,924; (1,924 \times \$50) + (138 \times \$100) = \$110,000$

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|---|----------------------------|--------------|--|
| <u>Senate</u>   | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}       |                            |              | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S}                 |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} |                            |              | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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