

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 9, 2015 3:33 PM	Author: PONTI
Dept./Agy.: Financial Institutions	Analyst: Travis McIlwain
Subject: Licensed Lenders	

FINANCIAL INSTITUTIONS EN +\$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.

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

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

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} |

Gregory V. Albrecht
Chief Economist