

707

FISCAL NOTE (Form 1)
(Office of Fiscal Analysis)
Analyst: TN 4/16/92
tc
Version:

BILL NUMBER: sSB 8
FILE NUMBER:
AMENDMENTS:

TITLE: "AN ACT CONCERNING BROKERS OF UNSECURED LOANS AND DEBT ADJUSTERS"

FAVORABLY REPORTED BY Banks, Judiciary

EFFECTIVE DATE: Upon Passage

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FISCAL IMPACT STATEMENT - BILL NUMBER sSB 8

STATE IMPACT	Minimal Cost, Potential Revenue Gain, see explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Department of Banking (Special Fund), Judicial Department, Attorney General's Office

EXPLANATION OF ESTIMATES:

It is anticipated that there will be a minimal cost to the Department of Banking and a potential minimal cost to the Judicial Department as a result of the passage of this bill.

There will be additional responsibility for the Department of Banking as a result of the passage of this bill although it's passage could lead to a significant reduction in the amount of complaints that come into the Department, which is presently around 200 a month.

The additional responsibility includes issuing cease and desist orders to brokers of unsecured loans who are receiving advance fees for their activity.

There may also be additional work associated with conducting hearings into some of these cases.

The Commissioner may also incur a minimal cost in applying to the Superior Court for an injunction against these acts or practices that constitute violations.

It is anticipated that the number of complaints to the Department regarding this activity is expected to decrease resulting in a minimal number of cases for the Department of Banking.

It is anticipated that there will be a potential minimal cost to the Judicial Department associated with the Commissioner bringing cases to the Superior Court. The number of cases is anticipated to be minimal and can be handled within the normal budgetary resources of the Judicial Department.

There may be some work for the Attorney General's Office but this is not expected to result in a fiscal impact to the office.

There will be a potential General Fund revenue gain to the state with the Banking Commissioner ordering civil penalties of up to \$2,000 per violation. This revenue gain is expected to be minimal.

The Department of Banking is a Special Fund agency that assesses the banks it regulates for 55% of its' funding and charges fees for the remaining 45%.