



EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 14, 2017

Agency Submitting: Business and Industry, Financial Institutions Division

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Examiner I FTE (Expense)		\$66,567	\$82,799	\$165,598
Total	0	\$66,567	\$82,799	\$165,598

Explanation

(Use Additional Sheets of Attachments, if required)

The Financial Institutions Division has reviewed the bill and determined that the development, implementation and maintenance of the proposed 604A loan database will required an FID Examiner I position and related costs (see attached).

Name George E. Burns

Title FID Commissioner

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Thursday, April 13, 2017

The Governor's Finance Office is unsure what part of the bill the additional position is designed to address, as FID Examiner positions are not information technology-related, but rather regulatory. Nonetheless, the GFO believes there may be a fiscal impact both to revenues and expenditures in the Financial Institutions budget resulting from this bill. Section 5 of the bill requires the FID to develop, implement and maintain a database of all deferred deposit loans and single advance loans. The database must permit licensees to enter and update a loan and search existing loans. The fiscal note does not account for the information technology costs of developing and maintaining the database. Furthermore, Section 5 requires the FID to promulgate regulations; however, the fiscal note does not account for that cost or aver that it can absorbed within the existing budget. Additionally, Section 5 requires the FID to collect a fee for each loan entered into the database. The fiscal note does not estimate the revenue generated by the fee and whether it covers the development and administration of the database. Finally, the FID has not estimated any reduction in fee income to the budget resulting from lenders exiting the market due to the implementation of an interest rate cap.

Name Laura E. Freed

Title Executive Budget Officer

DESCRIPTION OF FISCAL EFFECT											
BDR/Bill/Amendment Number: AB 222											
Name of Agency: Financial Institutions Division											
Division/Department: Business & Industry											
Date: 4/13/2017											
The Financial Institutions Division has reviewed the bill and determined that the development, implementation and maintenance of the proposed 604A loan database will required an FID Examiner I position and related costs.											
Date: 4/13/17 8:59 AM											
Budget Period: 2017-2019 Biennium (FY18-19)											
Budget Account: 3835 B&I - FINANCIAL INSTITUTIONS											
Version: W01 FISCAL NOTE FOR AB222											
Department: 74 DEPARTMENT OF BUSINESS AND INDUSTRY											
Division: 755 B&I - FINANCIAL INSTITUTIONS DIV											