

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0894-01
Bill No.: SB 365
Subject: Banks and Financial Institutions; Business and Commerce; Contracts and
Contractors; Fees; Mortgages and Deeds
Type: Original
Date: January 31, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 3 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Division of Finance** and **Division of Credit Unions** indicated that this proposal would have no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small business could be fiscally impacted due to the increase in late charge fees.

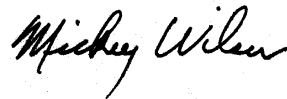
DESCRIPTION

This proposal modifies the allowable charge for a late payment of an installment or minimum payment to \$15 or an amount not to exceed 5% of each installment or minimum payment due, whichever is greater. Currently, the allowable charge is \$25 or an amount not to exceed 5% of each installment or minimum payment due, which is less. In addition, the default charge on any second mortgage loan for any payment not paid in full within 15 days of its scheduled due date is modified to \$15 or an amount not to exceed 5% of each installment or minimum payment due, whichever is greater. Currently, the allowable charge is \$25 or an amount not to exceed 5% of each installment or minimum payment due, which is less.

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

Department of Economic Development
Division of Finance
Division of Credit Unions



Mickey Wilson, CPA
Director
January 31, 2003