



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

**Bill #** SB0165

**Title:** Revise deferred deposit loan act

**Primary Sponsor:** Brueggeman, J.

**Status:** As Introduced

- Significant Local Gov Impact   
 Include in HB 2   
 Technical Concerns  
 Included in the Executive Budget   
 Significant Long-Term Impacts   
 Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$72,437	\$85,937	\$85,937	\$85,937
<b>Net Impact-General Fund Balanc</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal Impact:** This bill will increase license and examination fees to the state special revenue fund (02077) used by the Division of Banking and Financial Institutions in carrying out its supervisory functions of the Deferred Deposit Loan Act.

### FISCAL ANALYSIS

#### Assumptions:

1. The proposed changes to the Montana Deferred Deposit Loan Act will allocate license and examination fees to a special revenue fund used by the Division of Banking and Financial Institutions in carrying out its supervisory functions of the Act.
2. The proposed changes to the Montana Deferred Deposit Loan Act will increase revenue on licenses issued to deferred deposit lenders. The new license fee will be increased from \$375 to \$500, which is an increase of \$125 per license. The new license fee for any license issued for a period of less than six months will be increased from \$187.50 to \$250, which is an increase of \$62.50 per license.

3. There will be 16 new deferred deposit loan licenses issued during the biennium. There will be six new deferred deposit loan licenses issued in FY 2008. One of these licenses will be issued for a period of more than six months. The revenue in FY 2008 from these licenses issued for a period of more than six months will be \$125 (1 licensee x \$125). Five of these initial licenses will be issued for a period of less than six months. The revenue in FY 2008 from these initial licenses issued for a period of less than six months will be \$312.50 (5 licensees x \$62.50). The total revenue from new licenses issued in FY 2008 will be \$437.50. There will be 10 deferred deposit loan licenses issued in FY 2009. Five of these new licenses issued will be issued for a period of more than six months. The revenue in FY 2009 from these new licenses issued for a period of more than six months will be \$625 (5 licensees x \$125). Five of these new licenses issued will be for a period of less than six months. The revenue in FY 2009 from these new licenses issued for a period of less than six months will be \$312.50 (5 licensees x \$62.50). The total revenue from new licenses issued in FY 2009 will be \$937.50.
4. The renewal fee for any deferred deposit loan licensee will be increased from \$125 to \$500, an increase of \$375 per licensee.
5. There will 120 deferred deposit loan licenses renewed in FY 2008. The license renewal in FY 2008 will increase revenue by \$45,000 (120 licensees x \$375). There will be 125 deferred deposit loan licenses renewed in FY 2009. The license renewal in FY 2009 will increase revenue by \$46,875 (125 licensees x \$375).
6. The Division will conduct 90 deferred deposit loan examinations after October 1, 2007 in FY 2008. One examiner will perform each examination at a cost of \$300 as provided in 31-1-711, MCA. The revenue generated by these examinations will be \$27,000 in FY 2008 (90 licensees x \$300). The Division will conduct 125 deferred deposit loan examinations in FY 2009. One examiner will perform each examination at a cost of \$300 as provided in 31-1-711, MCA. The revenue generated by these examinations will be \$37,500 in FY 2009 (125 licensees x \$300).
7. The total revenue increase estimated for FY 2008 is \$72,437 and for FY 2009 is \$85,937. Revenue estimated for FY 2009 is expected to continue through FY 2011.
8. The bill is effective October 1, 2007.

	<u>FY 2008</u> <u>Difference</u>	<u>FY 2009</u> <u>Difference</u>	<u>FY 2010</u> <u>Difference</u>	<u>FY 2011</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
<b><u>Funding of Expenditures:</u></b>				
State Special Revenue (02)	\$0	\$0	\$0	\$0
<b>TOTAL Funding of Exp.</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b><u>Revenues:</u></b>				
State Special Revenue (02)	\$72,437	\$85,937	\$85,937	\$85,937
<b>TOTAL Revenues</b>	<u>\$72,437</u>	<u>\$85,937</u>	<u>\$85,937</u>	<u>\$85,937</u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
State Special Revenue (02)	\$72,437	\$85,937	\$85,937	\$85,937

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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*

