

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 171** SLS 18RS 449

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 9, 2018 7:36 PM	Author: THOMPSON
Dept./Agy.: Office of Financial Institutions	Analyst: Alan M. Boxberger
Subject: Provides relative to consumer loans	

FINANCIAL INSTITUTIONS EN SEE FISC NOTE SG RV See Note
Provides relative to consumer loans. (gov sig)

Present law provides relative to the licensing of persons who make consumer loans, specifying that no person shall acquire or control a consumer loan license through the acquisition or control of more than 50% or more of the ownership interest in a licensee without first having obtained written approval from the Commissioner of the Office of Financial Institutions, pursuant to an application for a change of control in ownership filled in the prescribed manner and accompanied by a fee of \$300.

Proposed law lowers the relevant ownership interest amount from 50% or more to 25% or more. Proposed law removes the requirement that any person who acquires or anticipates acquiring a 75% interest in a licensee file for a new license prior to acquiring ownership of said interest either incrementally or over a period of time or as one transaction.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW					
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The Office of Financial Institutions (OFI) does not anticipate a material change in revenues as a result of proposed law. OFI reports that the number of individuals applying for a new license subsequent to acquiring a 75% ownership interest in a licensee generally numbers 2 or fewer. To the degree that lowering the relevant ownership interest amount from 50% or more of a licensee to 25% or more may generate additional application fees to the OFI in an amount of \$300 each. The number of such applications that may be submitted on an annual basis is indeterminable, but OFI indicates that it does not anticipate a material change in applications.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Staff Director