

HB 2356 A BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Reviewed By: Matt Stayner, Legislative Fiscal Office

Department of Consumer and Business Services

2017-19

PRELIMINARY

Budget Summary

| | 2015-17 Legislatively Approved Budget | 2017-19 Committee Recommendation | Committee Change from 2015-17 Leg. Approved | |
|---------------------|--|---|--|-----------------|
| | | | \$ Change | % Change |
| Other Funds Limited | \$ - | \$ 165,351 | \$ 165,351 | 100.0% |
| Total | \$ - | \$ 165,351 | \$ 165,351 | 100.0% |

Position Summary

| | | | | |
|--------------------------------------|------|------|------|--|
| Authorized Positions | 0 | 1 | 1 | |
| Full-time Equivalent (FTE) positions | 0.00 | 0.88 | 0.88 | |

Summary of Revenue Changes

Fees from the licensed debt buyers will fund the regulatory functions of House Bill 2356, similar to other entities regulated by the Department of Consumer and Business (DCBS). An annual license fee, which will be set in rule by the director of DCBS, will recover most of the costs of these new functions. The Department will complete a fee study to determine the amount of the license and renewal fee. The Department estimates 75 entities requiring a license, under House Bill 2356.

Summary of Transportation and Economic Development Subcommittee Action

House Bill 2356 establishes a new regulatory program within DCBS, to oversee debt purchasers starting, January 1, 2018. The Subcommittee approved \$165,351 Other Funds expenditure limitation to fund one permanent, full-time Financial Examiner 2 position (0.88 FTE). The position will be responsible for handling licensing, complaint investigations and resolution and conducting examinations. Additional work beyond the capacity of the new Financial Examiner 2 position will be accomplished using existing staff and resources within the Division of Financial Regulation. The estimated cost of the position is \$187,785, in the 2019-21 biennium.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Department of Consumer and Business Services
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| DESCRIPTION | GENERAL FUND | LOTTERY FUNDS | OTHER FUNDS | | FEDERAL FUNDS | | TOTAL ALL FUNDS | POS | FTE |
|---|--------------|---------------|-------------------|-------------|---------------|-------------|-------------------|----------|-------------|
| | | | LIMITED | NONLIMITED | LIMITED | NONLIMITED | | | |
| SUBCOMMITTEE ADJUSTMENTS (from CSL) | | | | | | | | | |
| SCR 018 - Division of Financial Regulation | | | | | | | | | |
| HB 2356 - Regulation of Debt Buyers | | | | | | | | | |
| Personal Services | \$ - | \$ - | \$ 133,794 | \$ - | \$ - | \$ - | \$ 133,794 | 1 | 0.88 |
| Services and Supplies | \$ - | \$ - | \$ 31,557 | \$ - | \$ - | \$ - | \$ 31,557 | | |
| TOTAL ADJUSTMENTS | \$ - | \$ - | \$ 165,351 | \$ - | \$ - | \$ - | \$ 165,351 | 1 | 0.88 |
| SUBCOMMITTEE RECOMMENDATION * | \$ - | \$ - | \$ 165,351 | \$ - | \$ - | \$ - | \$ 165,351 | 1 | 0.88 |
| % Change from 2015-17 Leg Approved Budget | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |
| % Change from 2017-19 Current Service Level | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | |

*Excludes Capital Construction Expenditures