

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER
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DESCRIPTION

1273

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1273

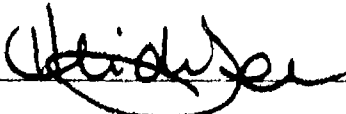
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1273

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 7, 2001

Tape Number	Side A	Side B	Meter #
1	X	X	A0-B15.2
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Ron Carlisle: Sponsoring bill **Written testimony**

Rep George Keiser: This is an unregulated industry and because of that it's gotten out of hand. It requires a specific amount of \$25,000 in assets in order to be licensed. There is a \$250 annual fee for registration and a penalty clause has been added to make non-abiders fall into a class C felony. We want this to be revenue neutral so there is a \$550 application fee.

Jay Couture: *President NDPA* **Written testimony in support of bill.**

Rep Ekstrom: How do payday loans work?

Couture: With computers we do a check scan and charge \$20/ \$100 given. The max is \$500 loan.

Bob Rude: (23.7) *VP NDPA* **Written testimony in support of bill.**

Jamie & Nicole Schurhamer: This is an easy, non- embarrassing way to borrow money.

Page 2  
House Industry, Business and Labor Committee  
Bill/Resolution Number HB 1273  
Hearing Date Feb. 7, 2001

Ladd Erickson; *Morton Co. State's Attorney's Office*. **Written testimony and amendments opposed.**

Gary Preszler; *Dept. of Banking and Financial Inst.* **Written testimony in neutral.** Forty licenses are expected but that's probably underestimated. I'm unsure of the banks specific duties with that. The 640 hours for exam is about half a day per lender. The annual fee covers administration costs.

Rep Koppang: Are there any federal regulations?

Preszler: Yes, truth and lending laws apply.

Rep Severson: Why don't banks offer this service?

Preszler: National banks are starting this for up to \$300 at 10% interest but you need direct dep.

Perrell Grossman; *Attorney General* neutral.

Chairman Berg: We'll hold this bill for amendments.

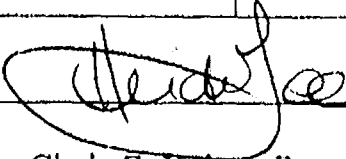
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1273(B)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 14, 2001

Tape Number	Side A	Side B	Meter #
2	X		23.7-35.4
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Severson: Payday loans, information and amendments provided and explained. Fiscal note is larger than actual expectance.

Rep Keiser: I move the amendments.

Rep M. Klein: I second.

Rep Severson: I move a do pass as amended.

Rep M. Klein: I second.

12 yea, 3 nay, 0 absent Carrier Rep Severson

2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1273(C)

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 14, 2001

Tape Number	Side A	Side B	Meter #
2		X	43.6-47.0
Committee Clerk Signature <i>Heidi See</i>			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Rep Severson: I move to reconsider HB 1273

Rep Johnson: I second.

Rep Severson: I move to reconsider the amendments.

Rep Keiser: I second.

Rep Severson: I move a do pass as amended.

Rep Johnson: I second.

10yea, 3 nay 2 absent

Carrier Rep Severson

# FISCAL NOTE

Requested by Legislative Council  
02/19/2001

Bill/Resolution No.:

Amendment to:            HB 1273

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$61,978		\$61,978
<b>Expenditures</b>				\$138,144		\$138,144
<b>Appropriations</b>				\$138,144		\$138,144

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Revenue will be generated by the number of license fees, investigation fees and examination fees collected from licensees. The Department anticipates licensing approximately 40 companies.

Expenditures will consist of the cost to add an FTE to the Department to handle licensing, examinations, and complaints. Additional expenditures will be travel involved in investigating these and unlicensed companies; due to the nature of this business, and based on the experiences of other states who have licensed such companies, we have included costs for potential administrative enforcement.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

**Revenue**

\$450 License Fees - 40:            \$36,000.00  
 \$400 Investigation Fees - 30:    \$12,000.00  
 Exam hours - 640:                \$13,977.60

**Total Revenue                      \$61,977.60**

**B. Expenditures:** Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.

**Expenses**

*Salary/Benefits* \$93,176.00

General Operating	\$ 7,266.65	
Travel	\$ 7,200.00	
Training	\$ 2,000.00	
Legal hours - 192	\$10,523.52	
Exam hours - 640	\$13,977.60	
<i>Total Operating</i>		\$40,967.77

*Equipment* \$ 4,000.00 (every 4 years per IT Plan)

**Total Expense** \$138,143.77

**C. Appropriations:** Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.

The department would need an appropriation of \$138,143.77 in order to administer and enforce the requirements of this statute. The expenditures exceed the revenue by \$76,166.17.

<b>Name:</b>	Gary D. Preszler	<b>Agency:</b>	Banking and Financial Institutions
<b>Phone Number:</b>	328-9933	<b>Date Prepared:</b>	02/20/2001



## FISCAL NOTE

Requested by Legislative Council  
01/16/2001

Bill/Resolution No.: HB 1273

Amendment to:

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	1999-2001 Biennium		2001-2003 Biennium		2003-2005 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$42,978		\$42,978
<b>Expenditures</b>				\$138,144		\$138,144
<b>Appropriations</b>				\$138,144		\$138,144

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

1999-2001 Biennium			2001-2003 Biennium			2003-2005 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

Revenue will be generated by the number of license fees, investigation fees and examination fees collected from licensees. The Department anticipates licensing approximately 40 companies.

Expenditures will consist of the cost to add an FTE to the Department to handle licensing, examinations, and complaints. Additional expenditures will be travel involved in examining and investigating these companies; and due to the nature of this business, and based on the experiences of other states who have licensed such companies, we have included costs for potential administrative enforcement.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

### Revenue

\$250 License Fees - 40                      \$20,000.00

\$300 Investigation Fees - 30 \$ 9,000.00

Exam hours - 640 \$13,977.60

**Total Revenue \$42,977.60**

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

**Expenses**

Salary/Benefits \$93,176.00

General Operating \$ 7,266.65

Travel \$ 7,200.00

Training \$ 2,000.00

Legal hours - 192 \$10,523.52

Exam hours - 640 \$13,977.60

*Total Operating \$40,967.77*

*Equipment \$ 4,000.00 (every 4 years per IT Plan)*

**Total Expense \$138,143.77**

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The department would need an appropriation of \$138,143.77 in order to administer and enforce the requirements of this statute. The expenditures exceed the revenue by \$95,166.17.

**Name:** Gary D. Preszler **Agency:** Dept. of Banking and Financial

Institutions

Phone Number:

328-9933

Date Prepared: 01/24/2001

Date: 2-14-01  
Roll Call Vote #: 2

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 1273

House Industry, Business and Labor Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken do pass as amended

Motion Made By Severson Seconded By Johnson

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein		
Rep. Mary Ekstorm		✓	Rep. Myron Koppang	✓	
Rep. Rod Froelich		✓	Rep. Doug Lemieux	✓	
Rep. Glen Froseth			Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe		✓

Total (Yes) 10 No 3

Absent 2

Floor Assignment Severson

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**HB 1273: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (10 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). HB 1273 was placed on the Sixth order on the calendar.**

Page 2, line 18, after the period insert "A deferred sentence or federal pretrial diversion must be considered a conviction for purposes of this section."

Page 3, line 5, replace "five" with "eight"

Page 3, line 8, replace "two" with "four"

Page 4, line 9, replace "indictment" with "charges"

Page 5, after line 13, insert:

"f. No property, titles to any property, or mortgages may be received or held directly or indirectly by the licensee as a condition of a deferred presentment service transaction or as a method of collection on a defaulted deferred presentment service transaction without proper civil process."

Page 5, line 17, replace "preferred" with "deferred" and after "service" insert ", and no property, titles to any property, or mortgages may be received or held directly or indirectly by the licensee as a condition of a deferred presentment service transaction or as a method of collection on a defaulted deferred presentment service transaction without proper civil process"

Page 6, line 21, after "who" insert "has authority to make the check and"

Page 7, after line 26, insert:

"16. A licensee or any agent of a licensee who willfully violates this section is guilty of a class A misdemeanor."

Page 8, line 24, replace "Any" with "Except as otherwise provided in this chapter, any"

Renumber accordingly

2001 HOUSE APPROPRIATIONS

HB 1273

