

# Fiscal Note & Local Impact Statement

122<sup>nd</sup> General Assembly of Ohio

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BILL: Sub. H.B. 522 DATE: January 22, 1998  
STATUS: As Reported by House Financial Institutions SPONSOR: Rep. Schuler  
LOCAL IMPACT STATEMENT REQUIRED: No — No local cost  
CONTENTS: Makes changes to the Mortgage Broker Law

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## State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
<b>Fund 553 (Consumer Finance)</b>			
Revenues	Potential net gain in the thousands of dollars	Potential net gain in the thousands of dollars	Potential net gain in the thousands of dollars
Expenditures	- 0 -	- 0 -	- 0 -
<b>Fund 4X2 (Financial Institutions)</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential minimal increase	Potential minimal increase	Potential minimal increase

- Several provisions in the bill could generate new revenue for Fund 553, Consumer Finance, in the Department of Commerce. First, the bill establishes fines up to \$2,000 per day for certain violations of the Mortgage Broker's Law. The revenue gain will depend upon the number of fines. Secondly, the bill removes a \$100 certification renewal late fee. The bill specifies that an applicant who has missed their renewal deadline has to reapply for certification instead of being assessed a \$100 late fee. Reapplying for certification of registration will not result in increased revenues for the Division of Consumer Finance. By removing the \$100 late fee, revenues could fall slightly. The net effect of these two changes is an undetermined net gain.
- Minimal expenditure increases could result from any oversight required to impose and collect the fines, as well as track and keep records of registrant surety bonds.

## Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.



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## ***Detailed Fiscal Analysis***

This bill makes several changes to Chapter 1322, Mortgage Broker's Law, of the Revised Code.

### **State Revenues**

The bill establishes fines of between up to \$2,000 per day for violations of division (B) of section 1322.02 and 1322.06, or section 1322.05, 1322.07, 1322.08 or 1322.09. The total revenue gain from this change will depend upon the number of fines. A slight moderation in revenue comes from the removal of a \$100 late fee. The bill specifies that an applicant who has missed their renewal deadline has to reapply for certification instead of being assessed a \$100 late fee. Reapplying for certification of registration will not result in increased revenues for the Division of Consumer Finance. By removing the \$100 late fee, revenues could fall slightly. The net effect of these two changes is an undetermined net gain.

### **State Expenditures**

Under this bill, the Division of Financial Institutions could experience a minimal increase in administrative expenses. The additional expenses would result from any oversight required to impose and collect the fines, as well, as track and keep records of registrant surety bonds.

□ *LBO staff: Rick Graycarek, Budget/Policy Analyst*

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