

OFFICE OF FISCAL ANALYSIS

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sSB-1396

AN ACT CONCERNING EARNED BUT UNPAID WAGE OR SALARY INCOME ADVANCES.

As Amended by Senate "A" (LCO 9730)

House Calendar No.: 675

Senate Calendar No.: 191

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Banking Dept.	BF - Cost	112,456	145,608
Banking Dept.	BF - Revenue Gain	6,000 - 8,000	6,000 - 8,000

Note: BF=Banking Fund

Municipal Impact: None

Explanation

The bill, which exempts certain salary advances from the small loan law's annual percentage rate (APR) and finance charge requirements, while adding additional requirements for providers of such advances, results in a cost of \$112,456 in FY 26 and \$145,608 in FY 27 and a revenue gain of approximately \$6,000 to \$8,000 in FY 26 and FY 27.

It is expected that approximately 15 to 20 companies will apply for a small loan license or renewal annually as a result of this bill. To review these applications and provide ongoing enforcement of the bill's provisions, the Department of Banking will need to hire one Financial Examiner for about \$80,000 per year¹ with an estimated fringe benefits rate of \$66,608.² There is also a one-time cost of \$2,500 in FY 26 for

¹ FY 26's total salary cost is adjusted to reflect partial year implementation.

² The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, as opposed to the fringe

equipment. The small loan license application and annual renewal fee is \$400. With the anticipated 15 to 20 companies, a total annual revenue gain of \$6,000 to \$8,000 is estimated.

The fiscal impacts described above may be greater or lesser depending on the exact number of companies that apply for the small loan license as a result of this bill.

Senate "A" makes clarifying changes to the underlying bill that do not alter the underlying bill's fiscal impact.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of small loan license applications and renewals.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

benefit accounts within the Office of the State Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes for other appropriated fund employees is 83.26% of payroll in FY 26.