

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7803
BILL NUMBER: HB 1705

DATE PREPARED: Jan 9, 2001
BILL AMENDED:

SUBJECT: Financial and consumer entity regulation.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill updates consumer law and financial institution law references to federal law. The bill specifies that rental purchase agreements do not apply to motor vehicles. It provides for notice to the department of financial institutions if certain events happen to an entity. This bill also allows the director of financial institutions to require evidence of licensee compliance for certain licensees. It allows the director of financial institutions to obtain criminal history reports for certain licensees. This bill allows a bank or trust company to act as an agent or broker for an insurance company in other states. This bill also allows an out of state financial institution to convert to a state chartered commercial bank. The bill makes certain changes to filing requirements with the secretary of state and the department of financial institutions. This bill allows a savings bank to act as an agent or broker for an insurance company in other states. It also makes a change to a provision regulating credit unions to comply with federal law. The bill requires uninsured financial institutions to notify the department of financial institutions when a crime has occurred. The bill allows financial institutions to do a reverse stock split. This bill also allows financial institutions to engage in expanded financial activities through subsidiaries. It also limits certain additional pawnbroker fees. This bill makes technical corrections.

Effective Date: July 1, 2001.

Explanation of State Expenditures: There may be some additional administrative expenses incurred to the Department of Financial Institutions, however fees from inspection should be able to cover the expenses. Any impact would be minimal.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Financial Institutions.

Local Agencies Affected:

Information Sources: Phil Goddard, Indiana Department of Financial Institutions, (317) 232-5837.