

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 397 – SB 1055

April 9, 2021

SUMMARY OF BILL: Increases, from \$50,000 to \$100,000 for each location, the minimum tangible net worth required of an applicant seeking a flex loan license. Increases, from 10 percent or more to 20 percent or more, the shareholder value of individuals subject to the relevant statutory review and potential criminal background checks of applicants seeking or renewing a flex loan license.

ESTIMATED FISCAL IMPACT:

**Decrease State Revenue - \$2,000/FY21-22 and Subsequent Years/
Department of Financial Institutions**

Assumptions:

- Based on information provided by the Department of Financial Institutions (DFI), it is estimated that the proposed legislation will result in the closure of two flex loan operator locations.
- Pursuant to Tenn. Code Ann. § 45-1-118, flex loan operators must pay an annual supervision fee of \$1,000 per location.
- Therefore, the decrease in revenue to the DFI in FY21-22 and subsequent years is estimated to be \$2,000 (2 locations x \$1,000).
- Any decrease in DFI expenditures regarding inspections and licensing of such operators is estimated to be not significant.
- Any impact on revenue or expenditures to the Tennessee Bureau of Investigations associated with criminal background checks is estimated to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- Any increase in demand in the flex loan market as a result of the closures is expected to be met by other existing entities. The net impact on jobs or commerce in this state will be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Handwritten signature of Krista Lee Carsner in black ink.

Krista Lee Carsner, Executive Director

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