

Department of Fiscal Services
Maryland General Assembly

FISCAL NOTE
Revised

Senate Bill 415 (Chairman, Finance Committee)
(Departmental - Labor, Licensing and Regulation)
Finance Referred to Commerce and Government Matters

Financial Institutions - Money Transmission

This amended departmental bill (1) eliminates the \$4 annual certification fee of agents transmitting money for licensed principals; (2) alters the reporting requirements to the agency from quarterly to semi-annually; (3) lengthens the licensing period from a one-year term to a two-year term; (4) lengthens the surety bond’s liability period from sixty days to five years; and (5) broadens the current statute to include those agents who electronically transmit funds. The bill creates a civil penalty of up to \$1,000 for specified violations.

Fiscal Summary

State Effect: General fund revenue could decrease by \$15,600 in FY 1998. Out-year variances reflect changes in effective fees, a biennial licensing term, industry growth of 8%, and a 100% renewal rate. Potential minimal increase in revenues due to the bill’s civil fine provision. Expenditures would not be materially affected.

(in dollars)	FY 1998	FY 1999	FY 2000	FY 2001	FY 2002
GF Revenues	(\$15,600)	(\$27,200)	(\$18,000)	(\$31,200)	(\$21,000)
GF Expenditures	0	0	0	0	0
Net Effect	(\$15,600)	(\$27,200)	(\$18,000)	(\$31,200)	(\$21,000)

Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds

Local Effect: None.

Small Business Effect: The Department of Labor, Licensing and Regulation has determined that this bill would have minimal impact on small business (attached). Fiscal Services agrees with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Revenues: The bill alters the license term for the 26 currency exchange licensees

currently licensed in Maryland from a one-year term to a two-year term. These licensees currently pay a \$200 annual fee which would change to a \$400 biennial licensure fee. The bill also eliminates the certification and \$4 fee for each of 2,297 agents transmitting money in the State for the 26 licensed principals. The elimination of the agent certification fee reduces the revenue collected annually by the State.

It is estimated that revenues will decrease by \$15,600 in fiscal 1998 based on the difference between the \$26,000 projected to be collected under current law and the \$10,400 that would be collected under the terms of this bill. In the non-renewal years such as 1999 and 2001, revenues would decrease more significantly. The only revenue generated to offset the loss, created in these years by the biennial term and the elimination of agent fees, would come from the estimated two new licenses issued per year at \$400 each. The out-year variances reflect changes in effective fees, a biennial licensing term, industry growth of 8%, and a 100% renewal rate.

Information Source(s): Department of Labor, Licensing and Regulation (Office of Financial Regulation); Department of Fiscal Services

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