

OFFICE OF FISCAL ANALYSIS

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SB-272

AN ACT REQUIRING CERTAIN FINANCING DISCLOSURES. AMENDMENT

LCO No.: 4747

File Copy No.: 150

Senate Calendar No.: 137

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Banking Dept.	BF - Cost	351,398	351,640
Banking Dept.	BF - Potential Revenue Gain	See Below	See Below

Note: BF=Banking Fund

Municipal Impact: None

Explanation

The amendment strikes the underlying bill and its associated fiscal impact.

The amendment requires certain lenders to disclose information on commercial financing transactions to the Department of Banking (DOB) by January 1, 2023. This is anticipated to result in a state cost of \$351,398 in FY 23 and \$351,640 in FY 24 paid from the Banking Fund. Violations of the amendment's provisions are subject to a civil penalty of up to \$10,000 and may result in a revenue gain dependent upon the number of penalties and the fines imposed.

The additional cost to the state includes personnel cost to DOB to hire one Staff Attorney 2 and one Financial Examiner necessary to implement the provisions of the amendment as the DOB currently does not work with such transactions. The salary for a Staff Attorney 2 is

Primary Analyst: LG
Contributing Analyst(s):

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\$100,000. The salary range for a Financial Examiner is \$70,930 - \$90,694. The estimate is based on the salary of the Staff Attorney 2, \$100,000 and fringe benefit rate of \$99,730, and the starting salary of the Financial Examiner, \$70,930 and fringe rate of \$70,738, charged to the Banking Fund¹. There is also a one-time cost of \$10,000 for equipment and training in FY 23.

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.

¹ The fringe benefit costs for employees funded out of other appropriated funds are budgeted within the fringe benefit account of those funds, rather than the fringe 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 99.73% of payroll in FY 23.