

1999 HOUSE INDUSTRY, BUSINESS AND LABOR

HB 1160

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1160

House Industry, Business, and Labor Committee

Conference Committee

Hearing Date January 11, 1999

Tape Number	Side A	Side B	Meter #
1		x	35-50
Committee Clerk Signature <i>Lisa Horner</i>			

Minutes:

CHAIRMAN BERG OPENED THE HEARING ON HB 1160; A BILL RELATING TO SALE AND TRANSFER OF MONEY BROKER AND COLLECTION AGENCY LICENSES.

DAVID CLINTON, Department of Banking, introduced HB 1160. The Department of Banking regulates state charter banks and credit unions as well as money broker and collection agencies.

This bill establishes interim authority to allow money brokers to operate while they await a new license as these licenses are non transferrable.

REP. KEMPENICH asked if the \$300 fee is new?

DAVID said that it is the standard fee.

REP. GLASSHEIM asked why they didn't require that one applies when there is a change of ownership.

DAVID said that this provides a little more flexibility.

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House Industry, Business, and Labor Committee

Bill/Resolution Number Hb 1160

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REP. GLASSHEIM further asked if the new owner should have to apply.

DAVID said that the commissioner's directive is going to be clear that it is going to be required.

CHAIRMAN BERG asked about the timing. If a business is up and running successfully and decides to sell and part of the sale is the good will of the business, if they sell to someone reputable - they will qualify for the license as well. The other issue is the timing - providing 60 days to review the license extended for cause. Would this business have to shut down as it waits for the issue to be resolved.

DAVID said that this is the process. There isn't that salvage - you are operating that business on interim authority.

REP. KEMPENICH asked if they are denied, what takes place then.

DAVID said due process remedies kick in to the application process. It all depends on denial or approval.

CHAIRMAN BERG CLOSED THE HEARING ON HB 1160.

COMMITTEE ACTION

REP. KEMPENICH moved a DO PASS on HB 1160. REP. KLEIN seconded the motion. The motion carried.

ROLL CALL - 14 YEA, 0 NAE, 1 ABSENT AND NOT VOTING.

FLOOR ASSIGNMENT - REP. GLASSHEIM

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1160 Amendment to: _____

Requested by Legislative Council Date of Request: 12-29-98

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

HB No. 1160 will have no fiscal impact to the Department. The license fee is an annual fee. There is an initial \$300 investigation fee for new license applications. The occurrence of an ownership change is infrequent, therefore, the initial investigation fee would offset any expenditures that would be incurred by the Department to re-license the new owners. The Department's present practice is to require new applications when a money broker or collection agency is sold and consequently, licensing and investigative costs are already built into the budget.

2. **State** fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:		0		0		0
Expenditures:		0		0		0

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: 0
- b. For the 1999-2001 biennium: 0
- c. For the 2001-03 biennium: 0

4. **County, City, and School District** fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
0	0	0	0	0	0	0	0	0

If additional space is needed,
Attach a supplemental sheet.

Date Prepared: 1-8-98

Signed Lori L. Laschkewitsch

Typed Name Lori L. Laschkewitsch

Department Department of Banking and
Financial Institutions

Phone Number 328-9933

Date: 1-11-99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1160

House Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken do pass

Motion Made By Kempenich Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chair - Berg	/		Rep. Thorpe		
Vice Chair - Kempenich	/				
Rep. Brekke	/				
Rep. Eckstrom	/				
Rep. Froseth	/				
Rep. Glassheim	/				
Rep. Johnson	/				
Rep. Keiser					
Rep. Klein	/				
Rep. Koppang	/				
Rep. Lemieux	/				
Rep. Martinson	/				
Rep. Severson	/				
Rep. Stefonowicz	/				

Total (Yes) 14 No 0

Absent 1

Floor Assignment Glassheim

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 11, 1999 5:04 p.m.

Module No: HR-05-0485
Carrier: Glasheim
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1160: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1160 was placed on the Eleventh order on the calendar.

1999 SENATE INDUSTRY, BUSINESS AND LABOR

HB 1160

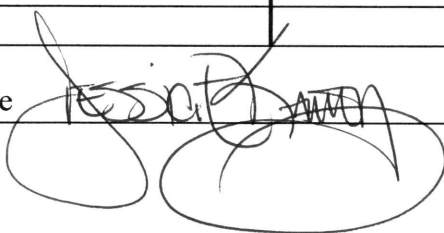
1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB1160

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date February 24, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-330
Committee Clerk Signature 			

Minutes:

Senator Mutch opened the hearing on HB1160. All senators were present.

David Clinton testified in support of HB1160. His testimony is included.

Senator Mutch closed the hearing on HB1160.

Senator Krebsbach motioned for a do pass committee recommendation on HB1160. Senator

Mathern seconded her motion. The motion carried with a 6-0-1 vote.

Senator Krebsbach will carry the bill.

Date: 2/21/99
Roll Call Vote #: 1

SR343531

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
HOUSE **BILL/RESOLUTION NO. 1160**

Senate INDUSTRY, BUSINESS AND LABOR COMMITTEE Committee

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By KREBSBACH Seconded By MATHERN

Senators	Yes	No	Senators	Yes	No
Senator Mutch	X				
Senator Sand	X				
Senator Krebsbach	X				
Senator Klein	X				
Senator Mathern	X				
Senator Heitkamp	X				
Senator Thompson					

Total (Yes) 6 No 0

Absent 1

Floor Assignment KREBSBACH

REPORT OF STANDING COMMITTEE (410)
February 25, 1999 11:20 a.m.

Module No: SR-34-3531
Carrier: Krebsbach
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1160: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends **DO PASS** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1160 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

HB 1160

TESTIMONY FOR HOUSE BILL NO. 1160

House Industry, Business, and Labor Committee

Testimony of David E. Clinton, Assistant Commissioner, Department of Banking and Financial Institutions

House Bill No. 1160 makes it clear that a money broker license is not transferable and establishes interim authority for a person who may acquire a money brokering business to continue operations of that business until a new license is issued or denied pursuant to the normal application procedure.

House Bill No. 1160 also grants similar change of control type operation for the acquirer of a licensed collection agency.

Presently, the Department of Banking and Financial Institutions has 221 licensed money brokers and 170 licensed collection agencies ranging from all parts of the country. With the rather fluid market conditions concerning mergers and acquisitions in the area of money brokering and collection agency enterprises, it seems prudent to provide for a flexible mechanism to provide for short term interim authority for acquirers of money broker and collection agency businesses to operate those businesses until a permanent license can be obtained. Although the Department processes applications for money broker and collection agency licenses in an efficient manner, nonetheless the merger process does not always

correspond to current licensing procedures resulting in unnecessary delay for the new owner in providing the services of the acquired business.

The new interim change of ownership application procedure requires an application to be submitted within 45 days of the date that the change of ownership is consummated and directs the Department to act on the application within 60 days from the date the application is received. If additional investigation or information is needed, the Department may extend this 60-day review period for good cause. The same type of application procedure holds true for both money brokers and collection agency change of control applications.

Based on the above, the Department stands in support of House Bill No. 1160 and requests a favorable "Do Pass" from the Committee.

TESTIMONY FOR HOUSE BILL NO. 1160

Senate Industry, Business, and Labor Committee

Testimony of David E. Clinton, Assistant Commissioner, Department of Banking and Financial Institutions, in support of House Bill No. 1160.

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