

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

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**FISCAL IMPACT STATEMENT**

**LS 7153**  
**BILL NUMBER:** HB 1462

**NOTE PREPARED:** Jan 5, 2021  
**BILL AMENDED:**

**SUBJECT:** Secretary of State Securities Division Matters.

**FIRST AUTHOR:** Rep. Heaton  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill has the following provisions:

- (1) Allows the Indiana Securities Commissioner to request additional information for determining whether a franchise offer or sale is exempt from registration requirements.
- (2) Provides that a continuing care retirement community's annual disclosure statement must be filed not later than 12 months following the end of its fiscal year.
- (3) Provides that an individual may not engage in loan processing activities unless certain requirements have been met.
- (4) Provides that a registered mortgage loan originator is not required to obtain a license under the law governing loan brokers.
- (5) Provides that the Securities Division may discipline an individual who fails to comply with disclosure requirements.
- (6) Adds a definition for "branch office" and makes changes related to unlawful acts for licensed collection agencies.

**Effective Date:** July 1, 2021.

**Explanation of State Expenditures:** *Secretary of State:* The bill could increase the workload of the Secretary of State (SOS) to investigate complaints of illegal operation of collection agency branch offices in the state. Additionally, to the extent the SOS takes disciplinary action against individuals who violate the bill's disclosure requirements, agency workload will increase. The bill's requirements are within the agency's routine administrative functions and should be able to be implemented with no additional appropriations, assuming near customary agency staffing and resource levels.

**Explanation of State Revenues:** *Collection Agency Branch Offices:* To the extent a collection agency branch office violates the requirements of the bill, revenue to the SOS Securities Division Enforcement Account could increase. The civil penalty for each violation is a maximum of \$10,000.

*Disclosure Requirements:* If the bill's disclosure requirements are not met, the SOS would have the ability to levy civil penalties as deemed appropriate. Any revenue collected from these civil penalties would also be deposited in the SOS Securities Division Enforcement Account. Total increases in revenue are indeterminable.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** SOS.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Bill Brumbach, 317-232-9559; Alex Raggio, 317-234-9485.