

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: House Bill 400
SHORT TITLE: Bank Assessments/AB
SPONSOR(S): Representatives Tallent, et al.

FISCAL IMPACT

Yes (X)* No () No Estimate Available ()

FY 1997-98 FY 1998-99 FY 1999-00 FY 2000-01 FY 2001-02

REVENUES

Bank Assessments	Current revenue: \$3,071,000 million annually
Finance Co. Assessments	Current revenue: \$494,000 annually

**PRINCIPAL DEPARTMENT(S) &
PROGRAM(S) AFFECTED:** State Banking Commission

EFFECTIVE DATE: Assessments due on or after January 1, 1998

 *Commission is 100% receipt-supported; no additional General Fund Appropriations required

BILL SUMMARY:

The proposed act amends G.S. 53-122 by replacing the existing assessment schedule with a new assessment schedule and authorizing a new reporting procedure.

Examiners of the State Banking Commission examine bank and consumer finance company records to verify all reports made to the Commissioner of Banks.

The **current** examination assessment schedule for banks is \$85.00 for the first \$100,000 in assets and \$12.00 per \$100,000 in assets over \$100,000.

The **current** examination assessment schedule for consumer finance companies is \$170.00 for the first \$100,000 in assets and \$12.00 per \$100,000 in assets over \$100,000.

The **new** schedule proposed in this act is as follows:

Bank Assessment Schedule

Consumer Finance

First \$50 million of Assets	\$6,000	\$18 per \$100,000 of assets
\$50 million to \$250 million	\$12 per \$100,000	Plus \$300 per office
\$250 million to \$500 million	\$9 per \$100,000	Minimum annual assessment
\$494,000		
\$500 million to \$1 billion	\$7 per \$100,000	
\$1 billion to \$10 billion	\$5 per \$100,000	
Assets over \$10 billion	\$3 per \$100,000	

Under the current law, institutions are required to pay the assessment in full to the Commissioner of banks within ten days after an assessment has been made. This act authorizes the Commissioner of Banks, acting at the direction of the State Banking Commission, to collect the assessment either annually or in periodic installments. The requirement, under G.S. 53-184(d), that affiliated lenders file composite annual reports in addition to separate reports is repealed.

ASSUMPTIONS AND METHODOLOGY:

Under G.S. 53-122, the State Banking Commission is required to set the assessment fees to cover the operations expense of maintaining the office. In addition, the Commission collects business license fees, registration fees, and other fines, penalties, and assessments to cover the cost of operating the Commission. The Commission is entirely receipt supported; no General Fund moneys are appropriated to cover the activities and operations of the Commission.

In the first half of the year, the Commission reviews the estimated cost of operating the office. If the fees used in generating the revenue for the Commission exceed the estimated cost, the Commission is authorized to reduce all of the examination fees by a uniform amount so to meet the estimate. In the past, the Commission has had to adjust these fees to prevent ending a year in surplus. The new fee schedule outlined in this act will prevent the need to readjust fees, according to representatives of the State Banking Commission.

FISCAL RESEARCH DIVISION 733-4910

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