

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 676 (Second Edition)

SHORT TITLE: Revise the Banking Laws of North Carolina

SPONSOR(S): Senator Hoyle

FISCAL IMPACT					
	Yes ()	No (X)	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
General Fund		No Fiscal Impact			
Banking Commission Acct		No Fiscal Impact			
EXPENDITURES					
Agency Receipts (SBI)		See Assumptions & Methodology			
POSITIONS:					
SBI		See Assumptions & Methodology			
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: State Banking Commission, Office of the Commissioner of Banks, Department of Justice - State Bureau of Investigation					
EFFECTIVE DATE: Section 30 (LRC study) is effective when it becomes law. The remainder of this act becomes effective October 1, 2003, and applies to acts occurring and transactions or agreements entered into on or after that date.					

BILL SUMMARY: This act makes statutory changes recommended by the Office of the Commissioner of Banks and directs the Legislative Research Commission (LRC) to study banking laws in the interim.

ASSUMPTIONS AND METHODOLOGY:

This analysis focuses on those sections of the bill that may have a fiscal impact on General Fund and Banking Commission revenues.

- The application fees mentioned in sections 7, 23, and 27 are authorized in existing law.
- Section 12 increases the annual license fee for a bank or trust company from \$200 to an amount not to exceed \$500. The Commission reported revenue of \$6,200 in FY 2001-02

and \$7,000 in FY 2002-03 from this license. The current statute states that any surplus must be given to the General Fund, but the proposed bill removes this language. This is a moot point since the current \$200 fee does not cover the Banking Commission's actual expenditures and, thus, there is no excess for the General Fund. Despite the gap between revenues and expenditures from this license, the Commission does not anticipate increasing the fee for banks or trust companies. However, if the Commission were to increase the license fee to the maximum \$500, it would gain approximately \$10,500 per year.

- Sections 15 and 21 deal with criminal record background checks. Since the applicant or licensee pays for the criminal record check, there is no fiscal impact on the Banking Commission. However, there could be an impact on the State Bureau of Investigation (SBI), the agency that does the record checks. The Banking Commission reports that it currently receives approximately 80 applications per week, or 4,160 applications per year. If only one background check per application was required, and these checks were shifted from state-only record checks to state and national checks, the SBI would require an additional 78 hours to process the work. Sections 15 and 21 also expand the number of people for whom the Banking Commission can request a record check. Since more than one criminal record check may be required for corporations, partnerships, and limited liability companies, associations or trusts, there is no estimate for the number of criminal record checks per application. The SBI is able to accommodate some increase in background checks within its existing staffing level, and it may be able to shift some positions from other support services units to the unit that processes criminal record checks. If the increase in workload due to new record checks and the addition of national record checks are greater than the unit's capacity, the SBI would need authorization for at least one additional position supported by the receipts collected from the applicants/licensees.

SOURCES OF DATA: Office of the Commissioner of Banks, Office of State Budget and Management.

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DATE: May 7, 2003



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