

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 658 (First Edition)

SHORT TITLE: Amend Bank and Trust Company Assessments.

SPONSOR(S): Senator Rand

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	[\$ dollars]				
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
REVENUES					
NC Commission of Banks	(791,078)	(791,078)	(791,078)	(791,078)	(791,078)
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED:	NC Commission of Banks				
EFFECTIVE DATE:	When law				

BILL SUMMARY:

Senate Bill 658 amends how bank and trust companies fees are assessed based on cumulative assets.

- Increases flat fee on first \$50 million in assets from \$6,000 to \$10,000
- Increases rate on assets of \$50 - \$250 million from \$12 to \$14 per \$100,000
- Increases rate on assets of \$250 - \$500 million from \$9 to \$11 per \$100,000
- Decreases rate on assets of \$1- \$10 billion from \$5 to \$4 per \$100,000
- Decreases rate on assets over \$10 billion from \$3 to \$2 per \$100,000
- Increases annual amount paid by a state trust company from \$6,000 to \$10,000 plus \$1 per \$100,000 in assets.

ASSUMPTIONS AND METHODOLOGY:

The Office of the Commissioner of Banks, together with the North Carolina Banking Commission, is responsible for the chartering and regulation of North Carolina's state banks and trust companies, as well as registration/licensing of various financial institutions operating in North Carolina.

The current and proposed fee structure is as follows:

<u>Asset Class (millions)</u>	<u>Current Fee per \$100,000 in Assets</u>	<u>Proposed Fee per \$100,000 in Assets</u>
First \$50 (flat)	\$6,000	\$10,000
\$50-250	\$12	\$14
\$250-500	\$9	\$11
\$500 – 1,000	\$7	\$7 (no change)
\$1,000-10,000	\$5	\$4
\$10,000+	\$3	\$2

Revenues and percentage share of total revenues under the current and proposed structure are as follows:

<u>Asset Class (millions)</u>	<u>Revenues</u>	<u>Current</u>	<u>Revenues</u>	<u>Proposed</u>	<u>\$Difference</u>	<u>% Difference in % Share</u>
	<u>Current Structure</u>	<u>% Share</u>	<u>Proposed Structure</u>	<u>% Share</u>		
<\$100	\$264,826	3%	\$ 410,610	5%	\$145,784	2%
\$100-500	\$1,134,414	12%	\$ 1,445,690	17%	\$311,276	5%
\$500-1,000	\$764,414	8%	\$907,624	11%	\$143,210	3%
\$1,000-10,000	\$1,363,714	15%	\$1,457,807	18%	\$94,093	3%
\$10,000+	\$5,591,193	62%	\$4,105,752	49%	\$(1,485,441)	-13%
Totals	\$9,118,561	100%	\$8,327,483	100%	\$(791,078)	

SOURCES OF DATA: NC Commissioner of Banks.

TECHNICAL CONSIDERATIONS: None

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