

HOUSE BILL NO. 701

INTRODUCED BY FAGG, MENAHAN

IN THE HOUSE

January 26, 1983	On motion, rules suspended and bill allowed to be introduced.
February 9, 1983	Introduced and referred to Committee on Business and Industry.
February 18, 1983	Committee recommend bill do pass as amended. Report adopted.
	Statement of Intent attached.
February 19, 1983	Bill printed and placed on members' desks.
February 21, 1983	Second reading, do pass as amended.
February 23, 1983	Correctly engrossed.
	Third reading, passed. Transmitted to Senate.

IN THE SENATE

March 1, 1983	Introduced and referred to Committee on Business and Industry.
March 19, 1983	Committee recommend bill be concurred in as amended. Report adopted.
March 22, 1983	Second reading, concurred in. Segregated.

March 23, 1983

Second reading, concurred in  
as amended.

March 25, 1983

Third reading, concurred in.  
Ayes, 46; Noes, 3.

#### IN THE HOUSE

March 25, 1983

Returned to House with  
amendments.

March 31, 1983

Second reading, amendments  
concurred in.

April 1, 1983

Third reading, amendments  
concurred in.

Sent to enrolling.

Reported correctly enrolled.

1 House BILL NO. 701  
 2 INTRODUCED BY Rep. Menahan  
 3  
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE FEES FOR  
 5 THE SUPERVISION AND EXAMINATION OF BANKS; AMENDING SECTION  
 6 32-1-213, MCA; AND PROVIDING AN EFFECTIVE DATE."  
 7  
 8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
 9 Section 1. Section 32-1-213, MCA, is amended to read:  
 10 "32-1-213. Payments to be made by banks, investment  
 11 companies, and trust companies. (1) For the credit of the  
 12 general fund of the state, each bank, trust company, or  
 13 investment company under the supervision of the department  
 14 shall pay to the state treasurer, on or before June 30 of  
 15 each year, a supervision fee of \$400 ~~\$1,000~~.

16 (2) An examination fee of ~~12 cents for each \$1,000~~ of  
 17 total assets as of the date of the examination shall be  
 18 assessed according to the following schedule:

Total Assets		Assessment		
		Over	Plus	Of Excess
		Over	This	Over
		Amount	Amount	Percent
		Million	Million	Million

1	\$	0	\$	1	\$	0	\$	001000	\$	0
2		1		10		1,000		\$000125		1
3		10		50		2,125		\$000095		10
4		50		100		5,925		\$000060		50
5		100		500		8,925		\$000050		100
6		500		1,000		28,925		\$000045		500
7		1,000		3,000		51,425		\$000040		1,000
8		3,000		10,000		131,425		\$000034		3,000
9		10,000		20,000		269,425		\$000032		10,000
10		20,000		50,000		689,425		\$000021		20,000
11	(3) The examination fee charged pursuant to subsection									
12	(2) shall be paid at the conclusion of the examination."									
13	NEW SECTION. Section 2. Effective date. This act is									
14	effective July 1, 1983.									

-End-

## STATE OF MONTANA

REQUEST NO. 373-83

## FISCAL NOTE

Form BD-15

In compliance with a written request received February 11, , 19 83 , there is hereby submitted a Fiscal Note for House Bill 701 pursuant to Title 5, Chapter 4, Part 2 of the Montana Code Annotated (MCA).

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

House Bill 701 increases fees for the supervision and examination of banks; amends section 32-1-213, MCA; and provides an effective date.

ASSUMPTIONS:

- 1) Bank examinations conducted in 1982 were 81 of 114 banks and trust companies; same ratio (71.05%) should apply in FY 84 and FY 85.
- 2) Bank's total assets will increase by 5% per year.
- 3) One new bank will be chartered and opened in FY 85.

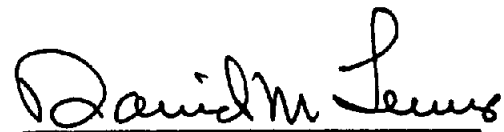
FISCAL IMPACT:

	<u>FY84</u>	<u>FY85</u>	<u>Total Biennium</u>
<u>Revenue</u>			
Under Current Law	\$ 287,356	\$ 299,844	\$ 587,200
Under Proposed Law	<u>413,416</u>	<u>429,387</u>	<u>842,803</u>
Increased In Revenue to Earmarked Account	<u>\$ 126,000</u>	<u>\$ 129,543</u>	<u>\$ 255,603</u>

TECHNICAL NOTE:

- 1) Other fees assessed by the division under separate statutes should be deposited into the earmarked account set up by this legislation.
- 2) Proposed budget for operation of the Financial Division is \$709,745 in FY 84 and \$716,204 in FY 85.

FISCAL NOTE 13:X/1



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 2-16-83

1 STATEMENT OF INTENT

2 HOUSE BILL 701

3 House Business and Industry Committee

4  
5 A statement of intent is required for House Bill 701  
6 because it grants rulemaking authority to the department of  
7 commerce to set assessments for state banks, trust  
8 companies, and investment companies.

9 It is the intention of the legislature that in the  
10 promulgation of the rules, the department will conduct  
11 hearings in an attempt to assure that the affected  
12 institutions will have the opportunity to voice their views.

13 It is the intention of the legislature that the department  
14 should attempt to create rules for assessment which provide  
15 equitable treatment of institutions insofar as possible,  
16 while maintaining the mandate of the bill.

SECOND READING

HB 701

Approved by Committee  
on Business and Industry

1 HOUSE BILL NO. 701  
2 INTRODUCED BY FAGG, MENAHAN  
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4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE FEES FOR  
5 THE SUPERVISION AND EXAMINATION OF BANKS; AMENDING SECTION  
6 32-1-213, MCA; PROVIDING FOR RULEMAKING AUTHORITY; AND  
7 PROVIDING AN IMMEDIATE EFFECTIVE DATE."  
8  
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:  
10 Section 1. Section 32-1-213, MCA, is amended to read:  
11 "32-1-213. Payments to be made by banks, investment  
12 companies, and trust companies. ~~For the credit of the~~  
13 ~~general fund of the state, each bank, trust company, or~~  
14 ~~investment company under the supervision of the department~~  
15 ~~shall pay to the state treasury on or before June 30 of~~  
16 ~~each year a supervision fee of \$400~~ ~~\$1,000~~ ON OR BEFORE  
17 JANUARY 31 AND JULY 31 OF EACH YEAR. EACH BANK, TRUST  
18 COMPANY, OR INVESTMENT COMPANY UNDER THE SUPERVISION OF THE  
19 DEPARTMENT SHALL PAY TO THE DEPARTMENT A SEMIANNUAL  
20 ASSESSMENT FEE. THE DEPARTMENT SHALL ESTABLISH SUCH  
21 ASSESSMENT FEE BY RULE ON OR BEFORE JUNE 1 OF EACH YEAR. THE  
22 FUNDS SO COLLECTED SHALL BE DEPOSITED IN AN EARMARKED  
23 REVENUE FUND WITH THE STATE TREASURER TO THE CREDIT OF AND  
24 FOR THE USE OF THE DEPARTMENT IN THE ADMINISTRATION OF THIS  
25 CHAPTER.

1 (2) An examination fee of 12 cents for each \$1,000 of  
2 total assets as of the date of the examination ~~shall be~~  
3 ~~assessed according to the following schedule:~~  
4 ~~Total Assets~~ ~~Assessment~~  
5 -----  
6 Over But Not This Plus Of Excess  
7 Over Amount This Over  
8 Percent  
9 -----  
10 Million Million Million  
11 \$ 0 \$ 1 \$ 0 \$001000 \$ 0  
12 1 10 1000 \$000125 1  
13 10 50 2025 \$000025 10  
14 50 100 5025 \$000060 50  
15 100 500 0025 \$000050 100  
16 500 1000 2025 \$000045 500  
17 1000 3000 5045 \$000040 1000  
18 3000 10000 13045 \$000035 3000  
19 10000 20000 36045 \$000032 10000  
20 20000 50000 60045 \$000021 20000  
21 THE COMPUTATION OF THE ABOVE ASSESSMENT FEE SHALL BE BASED  
22 ON THE INITIAL ASSETS OF THE BANK, TRUST COMPANY, OR  
23 INVESTMENT COMPANY AS SHOWN IN THE LAST CONSOLIDATED REPORT  
24 OF CONDITION PUBLISHED PRIOR TO THE JANUARY 31 OR JULY 31  
25 ASSESSMENT DATES.

1       ~~(2) The examination fee charged pursuant to subsection~~  
2       ~~(2) shall be paid at the conclusion of the examination IN~~  
3       ~~ADDITION TO THE ABOVE ASSESSMENT. TRUST COMPANIES SHALL PAY~~  
4       ~~TO THE DEPARTMENT AN EXAMINATION FEE OF \$200 PER DAY FOR~~  
5       ~~EACH EXAMINER INVOLVED IN EXAMINING THE TRUST ASSETS UNDER~~  
6       ~~THE CONTROL, SAFEKEEPING, OR FIDUCIARY RESPONSIBILITY OF THE~~  
7       ~~TRUST COMPANY. SUCH FEES SHALL BE DEPOSITED BY THE~~  
8       ~~DEPARTMENT IN THE EARMARKED REVENUE FUND AS DESCRIBED IN~~  
9       ~~[SECTION 1]."~~

10       NEW SECTION. Section 2. Effective date. This act is  
11       effective ~~July 1, 1993~~ ON PASSAGE AND APPROVAL.

-End-

1 STATEMENT OF INTENT

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12 institutions will have the opportunity to voice their views.  
13 It is the intention of the legislature that the department  
14 should attempt to create rules for assessment which provide  
15 equitable treatment of institutions insofar as possible,  
16 while maintaining the mandate of the bill.

THIRD READING

HB 701





1 ~~(3) The examination fee charged pursuant to subsection~~  
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 5 ~~EACH EXAMINER INVOLVED IN EXAMINING THE TRUST ASSETS UNDER~~  
 6 ~~THE CONTROL, SAFEKEEPING, OR FIDUCIARY RESPONSIBILITY OF THE~~  
 7 ~~TRUST COMPANY. SUCH FEES SHALL BE DEPOSITED BY THE~~  
 8 ~~DEPARTMENT IN THE EMBARKED REVENUE FUND AS DESCRIBED IN~~  
 9 ~~SECTION 23 GENERAL FUND.~~"

10 NEW SECTION. Section 2. Effective date. This act is  
 11 effective July 1, 1983 ON PASSAGE AND APPROVAL.

-End-

March 19, 1983

SENATE STANDING COMMITTEE REPORT  
(Business & Industry)

That House Bill No. 701 be amended as follows:

1. Title, line 7.

Strike: "IMMEDIATE"

2. Page 1, line 20.

Following: "FEE."

Insert: "The fees shall be set to recover 80% of the costs of administering the program for the supervision of banks, trust companies, and investment companies."

3. Page 3, line 11.

Strike: "ON PASSAGE AND APPROVAL"

Insert: "July 1, 1983"

March 23, 1983

SENATE COMMITTEE OF THE WHOLE AMENDMENT

That House Bill No. 701 be amended as follows:

1. Page 2, line 1.

Strike: "(2)"

2. Page 2, lines 21 through 25.

Strike: lines 21 through 25 in their entirety

Renumber: subsequent subsection

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REFERENCE BILL

HB 701

## HOUSE BILL NO. 701

INTRODUCED BY FAGG, MENAHAN

A BILL FOR AN ACT ENTITLED: "AN ACT TO INCREASE FEES FOR THE SUPERVISION AND EXAMINATION OF BANKS; AMENDING SECTION 32-1-213, MCA; PROVIDING FOR RULEMAKING AUTHORITY; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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"32-1-213. Payments to be made by banks, investment companies, and trust companies. (1) For the credit of the general fund of the state, each bank, trust company, or investment company under the supervision of the department shall pay to the state treasury on or before June 30 of each year a supervision fee of \$400 ~~\$1,000~~ ON OR BEFORE JANUARY 31 AND JULY 31 OF EACH YEAR. EACH BANK, TRUST COMPANY, OR INVESTMENT COMPANY UNDER THE SUPERVISION OF THE DEPARTMENT SHALL PAY TO THE DEPARTMENT A SEMIANNUAL ASSESSMENT FEE. THE FEES SHALL BE SET TO RECOVER 80% OF THE COSTS OF ADMINISTERING THE PROGRAM FOR THE SUPERVISION OF BANKS, TRUST COMPANIES, AND INVESTMENT COMPANIES. THE DEPARTMENT SHALL ESTABLISH SUCH ASSESSMENT FEE BY RULE ON OR BEFORE JUNE 1 OF EACH YEAR. THE FUNDS SO COLLECTED SHALL BE DEPOSITED IN AN EARMARKED REVENUE FUND WITH THE STATE

TREASURER TO THE CREDIT OF AND FOR THE USE OF THE DEPARTMENT IN THE ADMINISTRATION OF THIS CHAPTER THE GENERAL FUND.

(2) An examination fee of 12 cents for each \$1,000 of total assets as of the date of the examination shall be assessed according to the following schedule:

Total Assets		Assessment			
Over	But Not Over	This Amount	Plus This Percent	Of Excess	
Million	Million			Million	
\$ 0	\$ 1	\$ 0	100%	\$ 0	\$ 0
1	10	1.000	100%	1	1
10	50	2.125	100%	10	10
50	100	5.925	100%	50	50
100	500	9.925	100%	100	100
500	1,000	20.925	100%	500	500
1,000	3,000	51.925	100%	1,000	1,000
3,000	10,000	131.925	100%	3,000	3,000
10,000	20,000	369.925	100%	10,000	10,000
20,000	100,000	609.925	100%	20,000	20,000
THE COMPUTATION OF THE ABOVE ASSESSMENT FEE SHALL BE BASED ON THE TOTAL ASSETS OF THE BANK, TRUST COMPANY, OR INVESTMENT COMPANY AS SHOWN IN THE LAST CONSOLIDATED REPORT					

1 ~~BE--COMBINATION--PUBLISHED--PRIOR--TO--THE--JANUARY--31--88--JULY--31~~  
 2 ~~ASSESSMENT--DATES.~~  
 3     ~~(2) The--examination--fee--charged--pursuant--to~~  
 4 ~~subsection--(2) shall--be--paid--at--the--conclusion--of--the~~  
 5 ~~examination IN ADDITION TO THE ABOVE ASSESSMENT. TRUST~~  
 6 ~~COMPANIES SHALL PAY TO THE DEPARTMENT AN EXAMINATION FEE OF~~  
 7 ~~\$200 PER DAY FOR EACH EXAMINER INVOLVED IN EXAMINING THE~~  
 8 ~~TRUST ASSETS UNDER THE CONTROL, SAFEKEEPING, OR FIDUCIARY~~  
 9 ~~RESPONSIBILITY OF THE TRUST COMPANY. SUCH FEES SHALL BE~~  
 10 ~~DEPOSITED BY THE DEPARTMENT IN THE FARMER-REVENUE-FUND--AS~~  
 11 ~~DESCRIBED--IN--SECTION--13 GENERAL FUND."~~  
 12     NEW SECTION. Section 2. Effective date. This act is  
 13 effective July-14-1983 ~~BN-PASSAGE-AND-APPROVAL JULY 1, 1983.~~

-End-