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. Third reading, concurred in. Ayes, 46; Noes, 3. March 25, 1983 IN THE HOUSE March 25, 1983 Returned to House with amendments. March 31, 1983 Second reading, amendments concurred in. Third reading, amendments April 1, 1983 concurred in. Sent to enrolling. Reported correctly enrolled.

		, 1		a		
1		/your	E_ BILL NO.	101_		
2	INTRODUCED B	Y AGE	Menalia	<u> </u>		
3						
4	A BILL FOR A	N ACT ENTITLE	D: MAN ACT	TO INCREAS	E FEES FOR	
5	THE SUPERVI	SION AND EXA	MINATION OF	BANKS; AMEN	DING SECTION	
6	32-1-213, MC	A; AND PROVID	ING AN EFFEC	TIVE DATE."		
7						
8	BE IT ENACTE	D BY THE LEGI	SLATURE OF T	HE STATE OF	HONTANA:	
9	Saction	1. Section	32-1-213+ MC	A, is amend	ed to read:	
10	"32-1-2	213. Payments	to be ma	de by banks	, investment	
11	companies, a	nd trust comp	oanies. (1) F	or the cre	dit of the	
12	general fun	general fund of the state, each bank, trust company, or				
13	investment o	ompany under	the supervis	ion of the	department	
14	shall pay	shall pay to the state treasurer, on or before June 30 of				
15	each year, a	supervision	fee of \$400	\$1.000.		
16	157 Vu	examination	fee of-12-ce	nts-for-eac	h-\$1+888of	
17	totalasset	sasofth	edate-of-t	he-examinat	ion <u>shall_ba</u>	
16	assessed_acc	ording_to_tbe	_following_s	chedule:		
19	Ictal_A	ssets		Assessmen	<u>t</u>	
26						
21	Oxec	Sut_Not	Ibis	Plus	Of_Excess	
22		üxer	Amount	Inis	<u> Qver</u>	
23				Percent		
24						
25	Hillion	Million			Million	

1	<u>\$</u>	á 1	L §	0 _00100	o 2 o
2	1	10	1=9	200 ±00012	5 <u>1</u>
3	10	50	2 2.1	125 -00009.	5 10
4	50	100). 5±5	225 .00006	<u>9</u> 50
5	100	500	2 8.	925 •00005	100
6	500	1.000	28=	925 ±00004	5 500
7	1.000	3.000	2 51.5	•25 •00004	1.000
8	3=000	10.000	131.5	425 .00003	4 3.000
9	10:000	20.000	3691	£25 ±00003.	2 10.000
10	20.000	*****	689.	425 <u>•0000</u> 2.	20.000
11	131	The examinat	ion fee c	narged pursuant	to_subsection
12	121 shall	be paid at t	he conclus	sion of the exam	mination."
13	7EM-2	ECIION. Sec	tion 2. E	ffective date.	This act is
14	effecti ve	July 1, 1983	3 .		

-End-

STATE OF MONTANA

REQUEST NO. 373-83

FISCAL NOTE

Form BD-15

In compliance with a written request received <u>February 11</u>, 19 83, there is hereby submitted a Fiscal Note for <u>House Bill 701</u> 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:

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

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

late:

1	STATEMENT OF INTENT
2	HOUSE BILL 701
3	House Business and Industry Committee
4	
5	statement of intent is required for Hous

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

It is the intention of the legislature that in the promulgation of the rules, the department will conduct hearings in an attempt to assure that the affected institutions will have the opportunity to voice their views. It is the intention of the legislature that the department should attempt to create rules for assessment which provide equitable treatment of institutions insofar as possible, while maintaining the mandate of the bill.

Approved by Committee on Musiness and Industry

1	HOUSE BILL NO. 101
S	INTRODUCED BY FAGG, 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: PROVIDING FOR BULEMAKING AUTHORITY: AND
7	PROVIDING AN IMMEDIALE EFFECTIVE DATE."
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
0	Section 1. Section 32-1-213, MCA, is amended to read:
1	<pre>"32-1-213. Payments to be made by banks, investment</pre>
2	companies, and trust companies. (1) For-the-credit-of-the
3	general-fund-of-the-stateveachbankytrustcompanyvor
4	investmentcompanyunder-the-supervision-of-the-department
5	shall-pay-to-the-state-treasurery-an-or-peforedune38of
6	eachyearyasupervisionfee-of-\$400 \$1x888 ON OR BEFORE
7	JANUARY_31_AND_JULY_31_OE_EACH_YEAR*_EACH_BANK*_IBUSI
8	COMPANY. OR INVESTMENT COMPANY UNDER THE SUPERVISION OF THE
9	QEPARIMENT SHALL PAY TO THE QEPARIMENT A SEMIANUVAL
C	ASSESSMENT FEE. THE DEPARTMENT SHALL ESTABLISH SUCH
1	ASSESSMENT FEE BY RULE ON OR BEFORE JUNE 1 OF EACH YEAR. THE
2	EUNOS SO COLLECTED SHALL BE DEPOSITED IN AN EARMARKED
3	REVENUE EUNO NITH THE STATE TREASURER TO THE CREDIT OF AND
4	FOR THE USE OF THE DEPARTMENT IN THE ADMINISTRATION OF THIS
5	CHAPIER.

1	(2)	Anexaminat	ion-fee-of-l	2-cents-for-ea	ch-\$1,000-of	
2	total-assets-as-of-the-dateaftheexamination shallbe					
3	psasaaadaaccording:to:the:following:achedulet					
4	fotal	=åssets		åaagaamen	±	
5						
6	8xec	But=Not	Ebis	Liua	Of=Excess	
7		Byer	±0000±	žbis	Exec	
8				<u> Percent</u>		
9						
10	Billien	Hillien			Hillion	
11	5 9	1	1 9	<u> </u>	ź Đ	
13	ž	18	1±999	±999125	<u>.</u> ±	
13	10	59	2x125	±9999 5	±9	
14	59	100	5±925	<u> ≢00996</u>	59	
15	£88	500	91 9 25	±99995 €	1 9 9	
16	588	1x999	20 1925	±999945	5 <u>00</u>	
17	1:000	3x868	511425	±999349	1×000	
18	9×899	101000	1311425	≖000034	3±0 <u>90</u>	
19	10×000	20±000	369±425	≖ ₽₽₽₽3≥	19 <u>*99</u> 9	
20	201898	111111	682x425	1999821	20×000	
21	IHE COMPU	IALIONQE_I	dE_ABOYE_ASS	ESSMENT_EEE_SH	ALL BE BASED	
22	ON-IHE-I	DIAL_ASSETS.	_QE_IHE_B	AUKIRUSIC	OMPANYOR	
23	INVESTMENT_COMPANY_AS_SHOWN_IN_THE_LAST_CONSOLIDATED_REPORT					
24	OE CONDIII	ON_PUBLISHED	PRIOR TO IH	E_JANUARY_31	08_JULY_31	
25	ASSESSMENI	_DAIES.				

HB 0701/02

•	T5TTTUBEEZ9001001100716625001620700158804575073621150
2	12: shall-bepoid-at-the-conclusion-of-the-examination IN
3	ADDITION_TO_THE_ABOYE_ASSESSMENT: TRUST_COMPANIES_SHALL_PAY
4	IQ_IUE_DEPARIMENT_AN_EXAMINATION_EEE_QE_\$2QQ_QER_DAY_EDR
5	EACH_EXAMINER_INVOLVED_IN_EXAMINING_THE_IRUSTASSETSUNDER
6	IHE_COMIRGE_SAFEKEEPING.OR_FIDUCIAKY_RESPONSIBILITY_OF_THE
7	IRUSI COMPANY. SUCH FEES SHALL BE DEPOSITED BY THE
8	DEPARTMENT IN THE EARMARKED REVENUE EUNO AS DESCRIBED IN
9	[SECIION_1]a*
10	NEW_SECTION: Section 2: Effective date. This act is
11	effective duly-ly-1903 QN_PASSAGE_AND_APPROVAL.

-End

1	STATEMENT OF INTENT
2	HOUSE BILL 701
3	House Business and Industry Committe

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

It is the intention of the legislature that in the promulgation of the rules, the department will conduct hearings in an attempt to assure that the affected institutions will have the opportunity to voice their views. It is the intention of the legislature that the department should attempt to create rules for assessment which provide equitable treatment of institutions insofar as possible, while maintaining the mandate of the bill.

THIRD READING

HB 701

48th Legislature HB 0701/03 HB 0701/03

25

ASSESSMENT_DATES.

I	HOUSE BILL NO. 701
2	INTRODUCED BY FAGG, 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; PROVIDING FOR RULENAKING AUTHORITY: AND
7	PROVIDING AN INSEDIATE EFFECTIVE DATE.
8	
9	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
0	Section 1. Section 32-1-213, MCA, is amended to read:
.1	#32-1-213. Payments to be made by banks, investment
.2	companies, and trust companies. [1] For-the-eredit-of-the
.3	general-fund-of-the-stateseachbankstrustcompanysor
4	investmentcompanyunder-the-supervision-of-the-department
.5	shall-pay-to-the-state-treasurery-on-or-beforedume30of
6	each-years-a-supervision-fee-of-\$488 \$1:868 ON OR BEFORE
7	JANUARY 31 AND JULY 31 OF EACH YEAR - EACH BANK - TRUST
8	COMPANY. OR INVESTMENT COMPANY UNDER THE SUPERVISION OF THE
9	DEPARTMENT SHALL PAY TO THE DEPARTMENT A SENTANNUAL
0	ASSESSMENT FEE. THE DEPARTMENT SHALL ESTABLISH SUCH
1	ASSESSMENT FEE BY RULE ON OR BEFORE JUNE 1 OF FEACH YEAR. THE
2	EUNOS SO COLLECTED SHALL BE DEPOSITED IN AN EARHARKED
3	REYENDE:=EUND:=WIIU=IUE=SIATE:IREASURER:ID=INE_GREDII:DE=AUD
4	EBB::INE::USE::DE::DEPARIMENT::IN::THE::ARMINISTRAFION::DE:::THIS
5	SHARTER THE GENERAL FUND.

1	£21 'Ar	eraminatio	n-6ee-06-12-	cants-for-eacl		
2						
3	total-assets-as-of-the-dateoftheexamination <u>abolize-be</u>					
4	Iotal-d		-	Askesseent		
5			******		-4	
6	Oxe r	But=Not	I hia	žius '	Qf=Excess	
7		Byer	touoss	īhta	Byet	
8				Percent		
9			~~~~			
10	Milition	Miliion			Militan	
11	1 1	1 1	4 9	=001000	2 9	
12	ż	10	1:000	×999125	ŧ	
13	±e	50	2x125	*99895	10	
14	59	100	21225	1003060	50	
15	188	520 `	8±925	=999 059	199	
16	5 00	1 -900	29 222	±800045	5 <u>00</u>	
17	11888	3-000	51+425	# 2000±0	12000	
16	3x866	10x000	1311525	<u>=899034</u>	3±000	
19	101000	20±000	369x325	≖888832	19±00 0	
20	29×999	RELEKT		#888921		
21				HENI FEE SHAL		
22				. IRUST COM		
23				AST CONSOLIDA		
24	METERNOTITION	-FARTTZAED-61	KTRK ID IHE 1	ANUARY 31 OR		

-2-

ī	[11108-8884-002100-168-6046389-04634901-10-388465176				
2	12: shall-be-paid-ot-the-conclusion-of-the-examination I				
3	ADDITION TO THE ABOVE ASSESSMENT. TRUST COMPANIES SHALL PA				
4	IO THE DEPARTMENT AN EXAMINATION FEE DE \$200 PER DAY FO				
5	EACH EXAMINER INVOLVED IN EXAMINING THE TRUST ASSETS UNDE				
6	THE CONTROL SAFEKEEPING OR FIGURIARY RESPONSIBILITY OF TH				
7	IRUST COMPANY SUCH FEES SHALL BE DEPOSITED BY TH				
8	DEPARTMENT IN THE EARMARKED-REVENUE-EUND-AS-DESEREBED-A				
9	ESECTIONILY GENERAL EUND."				
10	NEW_SECTION: Section 2. Effective date. This act is				
11	effective duty-ty-1983 ON PASSAGE AND APPROVAL.				

-End-

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"

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

Ÿ

10

11

12

13

14

15

16

HB 701

STATEMENT OF INTENT

HOUSE BILL 701

House Business and Industry Committee

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.

It is the intention of the legislature that in the promulgation of the rules, the department will conduct hearings in an attempt to assure that the affected institutions will have the opportunity to voice their views. It is the intention of the legislature that the department should attempt to create rules for assessment which provide equitable treatment of institutions insofar as possible, while maintaining the mandate of the bill.

48th Legislature HB 0701/04 HB 0701/04

1 HOUSE BILL NO. 701
2 INTRODUCED BY FAGG, MENAHAN
3
4 A BIL: FOR AN ACT ENTITLED: "AN ACT TO INCREASE FEES FOR

THE SUPERVISION AND EXAMINATION OF BANKS; AMENDING SECTION

32-1-213, MCA; <u>PROVIDING FOR RULEMAKING AUTHORITY</u>: AND

PROVIDING AN <u>IMMEDIATE</u> EFFECTIVE DATE.**

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

8

10

12

13

14

15

16

17

18

19 20

21 22

23 24

25

Section 1. Section 32-1-213, MCA, is amended to read: 432-1-213. Payments to be made by banks, investment companies, and trust companies. (11 for-the-credit-of-the general-fund-of-the-state---each--banky--trust--company---or investment--company--under-the-supervision-of-the-deportment shall-pay-to-the-state-treasurery-on-or-before--dune--30--of each--yeary--a--supervision--fee-of-\$400 61+000 DN OR SEEDRE 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 DE ADMINISTERING THE PROGRAM EQR. THE SUPERVISION DE BANKS: IRUST COMPANIES: AND INVESTMENT COMPANIES. THE DEPARTMENT SHALL ESTABLISH SUCH ASSESSMENT FEE BY RULE ON OR BEFORE JUNE 1 OF EACH YEAR. THE EUNDS SO COLLECTED SHALL BE DEPOSITED_IN AN=EARMARKED==REVENUE==EUNB==UITH==IHE=STATE

1	IREASURER=IO=IUE=GREDII-DE-AND=EDR=IHE=USE=GE=IHE=DEPARIMENI				
2	IN-INE-ABBINISIBATIBN-BE-INIS-CHARTER INE_GENERAL_EUND.				
3	<u>121</u> An-examination-fee-of-12-cents-for-each-\$1,888of				
4	totalassetsasofthedate-of-the-examination <u>shall-be</u>				
5	sassasdiscoording:in=the=following=achedulet				
6	Intol:4	33513	Assessment		
7					~~~~~
8	Brer	But:Not	Ibia	Pìus	<u> 9f-Excess</u>
9		exer	touces	Ihis	eyer
10				Eccept	
11					7
12	Milling	Hillion			# illio n
13	£ £	i i	2 9	=0010 00	1 9
14	ż	±0	11 000	±000125	ž
15	1 9	59	2x125	=9999 25	±e
16	59	100	51925	2000066	50
17	FBB	500	0x225	±00 0050	±00
18	599	1:000	28x925	= 909945	590
19	1:000	3×808	<u> 51</u> 1425	±999946	11888
20	32888	10×960	1311425	±000034	3±000
21	101099	20×000	369x525	<u> </u>	10×860
22	20x000	22222	589x425	*000921	20±089
23	IHE-EBYPHIA	#=3HE=##E=#	nove-assessme	NI-EEE-SHALL	<u>8684568</u>
24	0 <u>\</u> fde1016\a55E150_tulleBank10 u \$160#Pany88				
25	invesimeni-e	GMPANY=AS=SH	BUN-IN-IHE- LA	S I-ERNSBLID A	IED==8EE8RI

-2- HB 701

1	DEEBNDIIIONCAPFIRED GIBE-IO-IRE-4VAVX-37-88-4AFX-31
2	assessment_pates.
3	131121The==examination==fee===ehacaed===pursuont====to
4	<u>aubsection==#21</u> shellbepaidattheconclusion-of-the
5	examination IN_ADDITION_IO_IHE_ABOVE_ASSESSMENT:_IRUST
6	COMPANIES SHALL PAY TO THE DEPARTMENT AN EXAMINATION FEE DE
7	\$200 PER DAY FOR EACH EXAMINER INVOLVED IN EXAMINING THE
8	TRUST_ASSETS_UNDER_THE_CONTROL = SAFEKEEPING = OR_FIDUCIAR
9	RESPONSIBILITY OF THE TRUST COMPANY. SUCH FEES SHALL BE
10	DEPOSITED BY THE DEPARTMENT IN THE EARMARKED REVENUE FUND-AS
11	DESCRIBED-IN-ESECTION-13 CENERAL FUND."
12	NEW SECTION. Section 2. Effective date. This act is
13	effective duty-1v-1963 BN-PASSAGE-AND-APPROVAL JULY l. 1983
	•Fnd•

_....

-3-