

HOUSE BILL NO. 460

INTRODUCED BY THOMAS, SIMON

BY REQUEST OF THE DEPARTMENT OF COMMERCE

IN THE HOUSE

January 24, 1985	Introduced and referred to Committee on Business and Labor.
January 25, 1985	Fiscal Note requested.
January 31, 1985	Fiscal Note returned.
February 9, 1985	Committee recommend bill do pass as amended. Report adopted. Statement of Intent attached. Bill printed and placed on members' desks.
February 11, 1985	Second reading, pass consideration.
February 12, 1985	Second reading, do pass. Considered correctly engrossed.
February 13, 1985	Third reading, passed. Transmitted to Senate.

IN THE SENATE

February 14, 1985	Introduced and referred to Committee on Business and Industry.
March 20, 1985	Committee recommend bill be concurrred in as amended. Report adopted.

March 22, 1985 On motion, taken from second reading and rereferred to Committee on Business and Industry.

March 25, 1985 Committee recommend bill be concurred in as amended. Report adopted.

March 27, 1985 Second reading, concurred in.

March 29, 1985 Third reading, concurred in. Ayes, 45; Noes, 4.

 Returned to House with amendments.

IN THE HOUSE

March 29, 1985 Received from Senate.

April 5, 1985 Second reading, amendments concurred in.

April 8, 1985 Third reading, amendments concurred in.

 Sent to enrolling.

 Reported correctly enrolled.

HOUSE BILL NO. 460

INTRODUCED BY THOMAS [Signature]
BY REQUEST OF THE DEPARTMENT OF COMMERCE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE DEPARTMENT OF COMMERCE TO RECOVER THE COSTS OF EXAMINATION OF STATE-CHARTERED FINANCIAL INSTITUTIONS; PROVIDING FOR RULEMAKING AUTHORITY; PROVIDING THAT ALL FUNDS COLLECTED AS A RESULT OF ASSESSMENTS BE DEPOSITED IN THE STATE SPECIAL REVENUE FUND; AMENDING SECTIONS 31-1-221, 32-1-213, 32-1-215, 32-2-102, 32-2-110, 32-3-201, 32-5-201, AND 32-5-403, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 32-1-213, MCA, is amended to read:

"32-1-213. Payments to be made by banks, investment companies, and trust companies. (1) 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 88% all 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 the-general-fund the state special revenue fund for the use of the department in its examination function.

(2) In addition to the above assessment, trust companies shall pay to the department an examination fee of \$200 per day for each examiner involved in examining the trust assets under the control, safekeeping, or fiduciary responsibility of the trust company. Such fees shall be deposited by the department in the-general--fund the state special revenue fund for the use of the department in its examination function."

Section 2. Section 32-1-215, MCA, is amended to read:

"32-1-215. Special examinations and fees. Special examinations may be made of a bank, trust company, investment company, building and loan association, or credit union when in the judgment of the department it is considered necessary, and the special examination shall be charged for at the rate of \$100 a day for each person engaged in the examination. All special examination fees or charges shall be paid at the conclusion of the examination, and the moneys collected by the department shall be paid to the state treasurer for the credit of the-general--fund the state special revenue fund for the use of the department in its examination function."

Section 3. Section 32-2-102, MCA, is amended to read:

"32-2-102. Fees paid into state treasury. All fees



1 provided for in this chapter and paid to the department or
 2 secretary of state shall be by them turned in to the state
 3 treasury for the credit of ~~the general fund of the state of~~
 4 Montana the state special revenue fund for the use of the
 5 department in its examination function."

6 Section 4. Section 32-2-110, MCA, is amended to read:
 7 "32-2-110. Payments to be made by building and loan
 8 associations. For the credit of ~~the general fund of~~ the
 9 state special revenue fund for the use of the department in
 10 its examination function, each building and loan association
 11 under the supervision of the department shall pay to the
 12 state treasurer, on or before July 1 each year, a fee based
 13 ~~upon the total assets of such association as shown by its~~
 14 ~~last annual statement and upon the following rates:~~
 15 established by the department by rule on or before June 1 of
 16 each year. The fees must be set to recover all of the costs
 17 of the program of supervision of building and loan
 18 associations.

19 ~~{1}--The minimum fee to be paid by any building and~~
 20 ~~loan association shall be the sum of \$100.~~

21 ~~{2}--For the first \$5 million of assets, a charge of 15~~
 22 ~~cents for each \$1,000 of assets shall be made.~~

23 ~~{3}--For the second \$5 million of assets, a charge of~~
 24 ~~10 cents for each \$1,000 of assets shall be made.~~

25 ~~{4}--For assets in excess of \$10 million but not~~

1 ~~exceeding \$20 million, a charge of 5 cents for each \$1,000~~
 2 ~~of assets shall be made.~~

3 ~~{5}--For assets in excess of \$20 million but not~~
 4 ~~exceeding \$30 million, a charge of 3 cents for each \$1,000~~
 5 ~~of assets shall be made.~~

6 ~~{6}--For all assets in excess of \$30 million, a charge~~
 7 ~~of 2 cents for each \$1,000 of assets shall be made."~~

8 Section 5. Section 32-3-201, MCA, is amended to read:

9 "32-3-201. Director of the department of commerce. (1)
 10 The director shall administer the laws of this state
 11 relating to credit unions. He may appoint or employ such
 12 special assistants, deputies, examiners, or other employees
 13 as are necessary for the purpose of administering or
 14 enforcing this chapter.

15 (2) The director may prescribe rules for the
 16 administration of this chapter and may establish chartering,
 17 supervisory, and examination fees. Fees so collected must
 18 be deposited in the state special revenue fund for the use
 19 of the department in its supervision function.

20 (3) The director shall, from time to time, issue rules
 21 prescribing the minimum amount of surety bond coverage and
 22 casualty, liability, and fire insurance required of credit
 23 unions in relation to their assets or to the money and other
 24 personal property involved or their exposure to risk."

25 Section 6. Section 32-5-201, MCA, is amended to read:

1 "32-5-201. License application and fees --
 2 supplementary license. (1) (a) A place of business operated
 3 under this chapter shall properly display on the premises a
 4 nontransferable and nonassignable license. The same person
 5 may obtain additional licenses upon compliance with this
 6 chapter as to each license.

7 (b) Application for a license shall be on a form
 8 prescribed and furnished by the department.

9 (c) A licensee may move his place of business from one
 10 place to another within a county without obtaining a new
 11 license, provided he obtains written permission from the
 12 department.

13 (d) With each application the applicant shall submit
 14 \$50 as an investigation fee and \$125 as a license fee. The
 15 license fee shall be returned to the applicant if the
 16 application is denied. The license year is the calendar
 17 year, and the license fee for any period less than 6 months
 18 is \$62.50. A license remains in force until surrendered,
 19 suspended, or revoked.

20 (2) No licensee under the provisions of this chapter
 21 shall lend money in a total sum greater than \$1,000 to any
 22 borrower or to any borrower and spouse except under the
 23 following circumstances:

24 (a) When any person holding a license provided for in
 25 subsection (1) desires to make loans for any amount in

1 excess of \$1,000, the holder of such license may apply to
 2 the department for a supplementary license and pay therefor
 3 an additional license fee of \$75 per calendar year or
 4 one-half of said sum for any period less than 6 months.

5 (b) The department shall grant, on application, a
 6 supplementary license to a holder of a license provided for
 7 in subsection (1).

8 (c) Section 32-5-204 shall be applicable as to time of
 9 payment of supplementary license fee and penalty for failure
 10 to pay the same.

11 (d) Provisions of 32-5-301 relating to refunds, fees,
 12 and charges and the other provisions of this chapter not
 13 inconsistent with this section shall be applicable to loans
 14 made under authority of a supplementary license.

15 (3) All moneys collected under the authority of this
 16 chapter shall be paid ~~into--the--state--treasury~~ by the
 17 department into the state special revenue fund for the use
 18 of the department in its supervision function.

19 (4) The amount of \$1,000 in subsection (2) is subject
 20 to change pursuant to the provisions of 32-5-104."

21 Section 7. Section 32-5-403, MCA, is amended to read:
 22 "32-5-403. Annual examinations -- cost. (1) The
 23 department shall make an annual examination of the books,
 24 accounts, and records of every licensee insofar as they
 25 relate to transactions with borrowers under this chapter and

1 may make such additional examinations as the department
2 deems necessary.

3 (2) The expenses of the department incurred in the
4 examination of the books and records of the licensees shall
5 be charged at ~~the rate of \$200 per person per day required~~
6 ~~to conduct the examinations of the respective licensees a~~
7 rate to be established by the department by rule. Such fees
8 shall be established to recover all of the costs of the
9 supervision program of the department. Each licensee shall
10 be billed by the department for the amount so charged to
11 such licensee. If said charge is not paid within 30 days
12 after the mailing of such bill, the license of said licensee
13 may be suspended or revoked."

14 Section 8. Section 31-1-221, MCA, is amended to read:

15 "31-1-221. Licensing of sales finance companies
16 required. (1) No person shall engage in the business of a
17 sales finance company in this state without a license
18 therefor as provided in this part, except that no bank,
19 trust company, or savings and loan association authorized to
20 do business in this state shall be required to obtain a
21 license under this part but shall comply with all of the
22 other provisions of this part.

23 (2) The application for such license shall be in
24 writing, under oath, and in the form prescribed by the
25 department. The application shall contain:

- 1 (a) the name of the applicant;
 - 2 (b) date of incorporation, if incorporated;
 - 3 (c) the address where the business is or is to be
4 conducted and similar information as to any branch office of
5 the applicant;
 - 6 (d) the name and resident address of the owner or
7 partners or, if a corporation or association, of the
8 directors, trustees, and principal officers; and
 - 9 (e) such other pertinent information as the department
10 may require.
- 11 (3) The license fee for each calendar year or part
12 thereof shall be the sum of \$100 for each place of business
13 of the licensee in this state.
- 14 (4) Each license shall specify the location of the
15 office or branch and must be conspicuously displayed there.
16 In case such location be changed, the department shall
17 endorse the change of location of the license without
18 charge.
- 19 (5) Upon the filing of such application and the
20 payment of said fee, the department shall issue a license to
21 the applicant to engage in the business of a sales finance
22 company under and in accordance with the provisions of this
23 part for a period which shall expire December 31 next
24 following the date of its issuance. Such license shall not
25 be transferable or assignable. No licensee shall transact

1 any business provided for by this part under any other name.

2 (6) Fees collected under this chapter shall be
3 deposited in the state special revenue fund for the use of
4 the department in its supervision function."

5 NEW SECTION. Section 9. Extension of authority. Any
6 existing authority of the department of commerce to make
7 rules on the subject of the provisions of this act is
8 extended to the provisions of this act.

9 NEW SECTION. Section 10. Effective date. This act is
10 effective on passage and approval.

-End-

STATE OF MONTANA

FISCAL NOTE

REQUEST NO. FNN 229-85

Form BD-15

In compliance with a written request received January 25, 19 85, there is hereby submitted a Fiscal Note for House Bill 460 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 460 would allow the Department of Commerce to recover all the costs of supervising banks, trust companies, credit unions, consumer loan licensees, sales finance companies and savings and loan associations through various fees charged to those institutions. The Bill proposes that all such fees be deposited in a special revenue fund for the use of the Department. Revenue now generated by fees is deposited in the state general fund.

ASSUMPTIONS:

It is assumed that:

- (1) The Financial Division budget operates from revenue generated from fees.
- (2) The number of supervised financial institutions remains constant with the Fiscal 1984 level.
- (3) The Governor's budget is adopted.

FISCAL IMPACT:

1. Impact On General Fund:

	FY 86		FY 87		Biennium Impact	
	Current Law	Proposed Law	Current Law	Proposed Law	Current Law	Proposed Law
General Fund Expenditures	\$ 776,181	\$ -0-	\$ 776,094	\$ -0-	\$ -0-	\$ -0-
Deposits To General Fund	792,021	-0-	792,013	-0-	-0-	-0-
Net Effect On General Fund	\$ 15,840	- \$ 15,840	+ \$ 15,919	- \$ 15,919	+\$ 31,759	- \$ 31,759

2. Impact On State Special Revenues:

Revenues Generated From Fees:	FY 1986	FY 1987	Biennium Impact
Current	\$ 792,021	\$ 792,013	
Proposed	806,834	809,029	
Difference	\$ 14,813	\$ 17,016	\$ 31,829

David L Hunter

BUDGET DIRECTOR
Office of Budget and Program Planning

Date: Jan 31, 1985 HB 460

APPROVED BY COMM. ON
BUSINESS AND LABOR

1 STATEMENT OF INTENT
2 HOUSE BILL 460
3 House Business and Labor Committee
4

5 A statement of intent is required for this bill because
6 it authorizes the department of commerce to adopt rules
7 establishing fees for the examination of building and loan
8 associations and consumer loan businesses. The bill also
9 authorizes the department to establish fees for the
10 examination of other financial institutions. It is the
11 intent of the legislature that fees established under this
12 bill be set to recover the costs of the program implemented.

HOUSE BILL NO. 460

INTRODUCED BY THOMAS, SIMON

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE DEPARTMENT OF COMMERCE TO RECOVER THE COSTS OF EXAMINATION OF STATE-CHARTERED FINANCIAL INSTITUTIONS; PROVIDING FOR RULEMAKING AUTHORITY; PROVIDING THAT ALL FUNDS COLLECTED AS A RESULT OF ASSESSMENTS BE DEPOSITED IN THE STATE SPECIAL REVENUE FUND; AMENDING SECTIONS 32-1-213, 32-1-215, 32-2-102, 32-2-110, 32-3-201, 32-5-201 AND 32-5-403, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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deposited in the general fund ~~the state special revenue fund~~ for the use of the department in its examination function THE GENERAL FUND.

(2) In addition to the above assessment, trust companies shall pay to the department an examination fee of \$200 per day for each examiner involved in examining the trust assets under the control, safekeeping, or fiduciary responsibility of the trust company. Such fees shall be deposited by the department in the general fund ~~the state special revenue fund for the use of the department in its examination function~~ THE GENERAL FUND."

Section 2. Section 32-1-215, MCA, is amended to read:

"32-1-215. Special examinations and fees. Special examinations may be made of a bank, trust company, investment company, building and loan association, or credit union when in the judgment of the department it is considered necessary, and the special examination shall be charged for at the rate of \$100 a day for each person engaged in the examination. All special examination fees or charges shall be paid at the conclusion of the examination, and the moneys collected by the department shall be paid to the state treasurer for the credit of the general fund ~~the state special revenue fund for the use of the department in its examination function.~~"

Section 3. Section 32-2-102, MCA, is amended to read:

1 ~~"32-2-102. Fees paid into state treasury. All fees~~
 2 ~~provided for in this chapter and paid to the department or~~
 3 ~~secretary of state shall be by them turned in to the state~~
 4 ~~treasury for the credit of the general fund of the state of~~
 5 ~~Montana the state special revenue fund for the use of the~~
 6 ~~department in its examination function."~~

7 Section 2. Section 32-2-110, MCA, is amended to read:

8 "32-2-110. Payments to be made by building and loan
 9 associations. For the credit of ~~the general fund of THE~~
 10 ~~GENERAL FUND OF~~ the state ~~special revenue fund for the use~~
 11 ~~of the department in its examination function~~, each building
 12 and loan association under the supervision of the department
 13 shall pay to the state treasurer, on or before July 1 each
 14 year, a fee based upon the total assets of such association
 15 as shown by its last annual statement and upon the following
 16 rates: established by the department by rule on or before
 17 June 1 of each year. The fees must be set to recover all of
 18 the costs of the program of supervision of building and loan
 19 associations.

20 (1) The minimum fee to be paid by any building and
 21 loan association shall be the sum of \$100.

22 (2) For the first \$5 million of assets, a charge of 15
 23 cents for each \$1,000 of assets shall be made.

24 (3) For the second \$5 million of assets, a charge of
 25 10 cents for each \$1,000 of assets shall be made.

1 (4) For assets in excess of \$10 million but not
 2 exceeding \$20 million, a charge of 5 cents for each \$1,000
 3 of assets shall be made.

4 (5) For assets in excess of \$20 million but not
 5 exceeding \$30 million, a charge of 3 cents for each \$1,000
 6 of assets shall be made.

7 (6) For all assets in excess of \$30 million, a charge
 8 of 2 cents for each \$1,000 of assets shall be made."

9 Section 5. Section 32-3-201, MCA, is amended to read:

10 "32-3-201. Director of the department of commerce.
 11 (1) The director shall administer the laws of this state
 12 relating to credit unions. He may appoint or employ such
 13 special assistants, deputies, examiners, or other employees
 14 as are necessary for the purpose of administering or
 15 enforcing this chapter.

16 (2) The director may prescribe rules for the
 17 administration of this chapter and may establish chartering,
 18 supervisory, and examination fees. Fees so collected must
 19 be deposited in the state special revenue fund for the use
 20 of the department in its supervision function.

21 (3) The director shall from time to time, issue rules
 22 prescribing the minimum amount of surety bond coverage and
 23 casualty liability, and fire insurance required of credit
 24 unions in relation to their assets or to the money and other
 25 personal property involved or their exposure to risk."

1 Section 6. Section 32-5-201, MCA, is amended to read:

2 "32-5-201. License application and fees for
3 supplementary license. (1) (a) A place of business operated
4 under this chapter shall properly display on the premises a
5 nontransferable and nonassignable license. The same person
6 may obtain additional licenses upon compliance with this
7 chapter as to each license.

8 (b) Application for a license shall be on a form
9 prescribed and furnished by the department.

10 (c) A licensee may move his place of business from one
11 place to another within a county without obtaining a new
12 license, provided he obtains written permission from the
13 department.

14 (d) With each application the applicant shall submit
15 \$50 as an investigation fee and \$125 as a license fee. The
16 license fee shall be returned to the applicant if the
17 application is denied. The license year is the calendar
18 year and the license fee for any period less than 6 months
19 is \$62.50. A license remains in force until surrendered,
20 suspended, or revoked.

21 (2) No licensee under the provisions of this chapter
22 shall lend money in a total sum greater than \$1,000 to any
23 borrower or to any borrower and spouse except under the
24 following circumstances:

25 (a) When any person holding a license provided for in

1 subsection (1) desires to make loans for any amount in
2 excess of \$1,000, the holder of such license may apply to
3 the department for a supplementary license and pay therefor
4 an additional license fee of \$75 per calendar year or
5 one-half of said sum for any period less than 6 months.

6 (b) The department shall grant, on application, a
7 supplementary license to a holder of a license provided for
8 in subsection (1).

9 (c) Section 32-5-204 shall be applicable as to time of
10 payment of supplementary license fee and penalty for failure
11 to pay the same.

12 (d) Provisions of 32-5-301 relating to refunds, fees,
13 and charges and the other provisions of this chapter not
14 inconsistent with this section shall be applicable to loans
15 made under authority of a supplementary license.

16 (3) All moneys collected under the authority of this
17 chapter shall be paid into the state treasury by the
18 department into the state special revenue fund for the use
19 of the department in its supervision function.

20 (4) The amount of \$1,000 in subsection (2) is subject
21 to change pursuant to the provisions of 32-5-104.

22 Section 3. Section 32-5-403, MCA, is amended to read:
23 "32-5-403. Annual examinations -- cost. (1) The
24 department shall make an annual examination of the books,
25 accounts, and records of every licensee insofar as they

1 relate to transactions with borrowers under this chapter and
2 may make such additional examinations as the department
3 deems necessary.

4 (2) The expenses of the department incurred in the
5 examination of the books and records of the licensees shall
6 be charged at the rate of \$200 per person per day required
7 to conduct the examinations of the respective licensees a
8 rate to be established by the department by rule. Such fees
9 shall be established to recover all of the costs of the
10 supervision program of the department. Each licensee shall
11 be billed by the department for the amount so charged to
12 such licensee. If said charge is not paid within 30 days
13 after the mailing of such bill, the license of said licensee
14 may be suspended or revoked."

15 Section 8. Section 31-1-221, MCA, is amended to read:
16 "31-1-221. Licensing of sales finance companies
17 required. (1) No person shall engage in the business of a
18 sales finance company in this state without a license
19 therefor as provided in this part, except that no bank,
20 trust company, or savings and loan association authorized to
21 do business in this state shall be required to obtain a
22 license under this part but shall comply with all of the
23 other provisions of this part.

24 (2) The application for such license shall be in
25 writing, under oath, and in the form prescribed by the

1 department. The application shall contain:
2 (a) the name of the applicant;
3 (b) date of incorporation, if incorporated;
4 (c) the address where the business is or is to be
5 conducted and similar information as to any branch office of
6 the applicant;
7 (d) the name and resident address of the owner or
8 partners or, if a corporation or association, of the
9 directors, trustees, and principal officers; and
10 (e) such other pertinent information as the department
11 may require.
12 (3) The license fee for each calendar year or part
13 thereof shall be the sum of \$100 for each place of business
14 of the licensee in this state.
15 (4) Each license shall specify the location of the
16 office or branch and must be conspicuously displayed there.
17 In case such location be changed, the department shall
18 endorse the change of location of the license without
19 charge.
20 (5) Upon the filing of such application and the
21 payment of said fee, the department shall issue a license to
22 the applicant to engage in the business of a sales finance
23 company under and in accordance with the provisions of this
24 part for a period which shall expire December 31 next
25 following the date of its issuance. Such license shall not

1 ~~be-transferable-or-assignable.-No--licensee--shall--transact~~
2 ~~any-business-provided-for-by-this-part-under-any-other-name-~~
3 ~~(6)--Fees---collected---under--this--chapter--shall--be~~
4 ~~deposited-in-the-state-special-revenue-fund-for-the--use--of~~
5 ~~the-department-in-its-supervision-function."~~

6 NEW SECTION. Section 4. Extension of authority. Any
7 existing authority of the department of commerce to make
8 rules on the subject of the provisions of this act is
9 extended to the provisions of this act.

10 NEW SECTION. Section 5. Effective date. This act is
11 effective on passage and approval.

-End-

1 STATEMENT OF INTENT

2 HOUSE BILL 460

3 House Business and Labor Committee

4

5 A statement of intent is required for this bill because
6 it authorizes the department of commerce to adopt rules
7 establishing fees for the examination of building and loan
8 associations and consumer loan businesses. The bill also
9 authorizes the department to establish fees for the
10 examination of other financial institutions. It is the
11 intent of the legislature that fees established under this
12 bill be set to recover the costs of the program implemented.

THIRD READING

HB 460



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INTRODUCED BY THOMAS, SIMON

BY REQUEST OF THE DEPARTMENT OF COMMERCE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE DEPARTMENT OF COMMERCE TO RECOVER THE COSTS OF EXAMINATION OF STATE-CHARTERED FINANCIAL INSTITUTIONS; PROVIDING FOR RULEMAKING AUTHORITY; PROVIDING THAT ALL FUNDS COLLECTED AS A RESULT OF ASSESSMENTS BE DEPOSITED IN THE STATE SPECIAL REVENUE FUND; AMENDING SECTIONS 32-1-221, 32-1-213, 32-1-215, 32-2-102, 32-2-110, 32-3-201, 32-5-201 AND 32-5-403, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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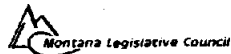
deposited in the general fund ~~the state special revenue fund for the use of the department in its examination function~~ THE GENERAL FUND.

(2) In addition to the above assessment, trust companies shall pay to the department an examination fee of \$200 per day for each examiner involved in examining the trust assets under the control, safekeeping, or fiduciary responsibility of the trust company. Such fees shall be deposited by the department in the general fund ~~the state special revenue fund for the use of the department in its examination function~~ THE GENERAL FUND."

Section 2. Section 32-1-215, MCA, is amended to read:

"32-1-215. Special examinations and fees. Special examinations may be made of a bank, trust company, investment company, building and loan association, or credit union when in the judgment of the department it is considered necessary, and the special examination shall be charged for at the rate of \$100 a day for each person engaged in the examination. All special examination fees or charges shall be paid at the conclusion of the examination, and the moneys collected by the department shall be paid to the state treasurer for the credit of the general fund ~~the state special revenue fund for the use of the department in its examination function.~~"

Section 3. Section 32-2-102, MCA, is amended to read:



1 ~~"32-2-102:--Fees--paid--into--state-treasury,--All-fees~~
 2 ~~provided-for-in-this-chapter-and-paid-to-the--department--or~~
 3 ~~secretary--of--state-shall-be-by-them-turned-in-to-the-state~~
 4 ~~treasury-for-the-credit-of-the-general-fund-of-the-state--of~~
 5 ~~Montana the--state--special-revenue-fund-for-the-use-of-the~~
 6 ~~department-in-its-examination-function."~~

7 Section 2. Section 32-2-110, MCA, is amended to read:
 8 "32-2-110. Payments to be made by building and loan
 9 associations. For the credit of the--general--fund--of THE
 10 GENERAL FUND OF the state special-revenue-fund-for-the-use
 11 of-the-department-in-its-examination-function, each building
 12 and loan association under the supervision of the department
 13 shall pay to the state treasurer, on or before July 1 each
 14 year, a fee based-upon-the-total-assets-of-such-association
 15 as-shown-by-its-last-annual-statement-and-upon-the-following
 16 rates: established by the department by rule on or before
 17 June 1 of each year. The fees must be set to recover all of
 18 the costs of the program of supervision of building and loan
 19 associations.

20 ~~{1}--The-minimum-fee-to-be-paid-by-any--building--and~~
 21 ~~loan-association-shall-be-the-sum-of-\$100-~~

22 ~~{2}--For-the-first-\$5-million-of-assets, a-charge-of-15~~
 23 ~~cents-for-each-\$1,000-of-assets-shall-be-made:~~

24 ~~{3}--For--the--second-\$5-million-of-assets, a-charge-of~~
 25 ~~10-cents-for-each-\$1,000-of-assets-shall-be-made:~~

1 ~~{4}--For-assets--in--excess--of--\$10--million--but--not~~
 2 ~~exceeding--\$20--million, a-charge-of-5-cents-for-each-\$1,000~~
 3 ~~of-assets-shall-be-made:~~

4 ~~{5}--For-assets--in--excess--of--\$20--million--but--not~~
 5 ~~exceeding--\$30--million, a-charge-of-3-cents-for-each-\$1,000~~
 6 ~~of-assets-shall-be-made:~~

7 ~~{6}--For-all-assets-in-excess-of-\$30-million, a--charge~~
 8 ~~of-2-cents-for-each-\$1,000-of-assets-shall-be-made."~~

9 Section 5. ~~Section 32-3-201, MCA, is amended to read:~~

10 ~~"32-3-201. Director of the department of commerce:~~
 11 ~~{1}--The--director--shall--administer-the-laws-of-this-state~~
 12 ~~relating-to-credit-unions;--He-may-appoint--or--employ--such~~
 13 ~~special--assistants, deputies, examiners, or other employees~~
 14 ~~as--are--necessary--for--the--purpose--of--administering--or~~
 15 ~~enforcing-this-chapter:~~

16 ~~{2}--The--director---may---prescribe---rules--for--the~~
 17 ~~administration-of-this-chapter-and-may-establish-chartering,~~
 18 ~~supervisory, and-examination-fees. Fees-so--collected--must~~
 19 ~~be--deposited--in-the-state-special-revenue-fund-for-the-use~~
 20 ~~of-the-department-in-its-supervision-function.~~

21 ~~{3}--The-director-shall, from-time-to-time, issue-rules~~
 22 ~~prescribing-the-minimum-amount-of-surety-bond--coverage--and~~
 23 ~~casualty,--liability,--and-fire-insurance-required-of-credit~~
 24 ~~unions-in-relation-to-their-assets-or-to-the-money-and-other~~
 25 ~~personal-property-involved-or-their-exposure-to-risk."~~

1 Section 6. Section 32-5-201, MCA, is amended to read:
 2 "32-5-201. License application and fees
 3 supplementary license. (1) (a) A place of business operated
 4 under this chapter shall properly display on the premises a
 5 nontransferable and nonassignable license. The same person
 6 may obtain additional licenses upon compliance with this
 7 chapter as to each license.
 8 (b) Application for a license shall be on a form
 9 prescribed and furnished by the department.
 10 (c) A licensee may move his place of business from one
 11 place to another within a county without obtaining a new
 12 license, provided he obtains written permission from the
 13 department.
 14 (d) With each application the applicant shall submit
 15 \$50 as an investigation fee and \$125 as a license fee. The
 16 license fee shall be returned to the applicant if the
 17 application is denied. The license year is the calendar
 18 year, and the license fee for any period less than 6 months
 19 is \$62.50. A license remains in force until surrendered,
 20 suspended, or revoked.
 21 (2) No licensee under the provisions of this chapter
 22 shall lend money in a total sum greater than \$1,000 to any
 23 borrower or to any borrower and spouse except under the
 24 following circumstances:
 25 (a) When any person holding a license provided for in

1 subsection (1) desires to make loans for any amount in
 2 excess of \$1,000, the holder of such license may apply to
 3 the department for a supplementary license and pay therefor
 4 an additional license fee of \$75 per calendar year or
 5 one-half of said sum for any period less than 6 months.
 6 (b) The department shall grant, on application, a
 7 supplementary license to a holder of a license provided for
 8 in subsection (1).
 9 (c) Section 32-5-204 shall be applicable as to time of
 10 payment of supplementary license fee and penalty for failure
 11 to pay the same.
 12 (d) Provisions of 32-5-301 relating to refunds, fees,
 13 and charges and the other provisions of this chapter not
 14 inconsistent with this section shall be applicable to loans
 15 made under authority of a supplementary license.
 16 (3) All moneys collected under the authority of this
 17 chapter shall be paid into the state treasury by the
 18 department into the state special revenue fund for the use
 19 of the department in its supervision function.
 20 (4) The amount of \$1,000 in subsection (2) is subject
 21 to change pursuant to the provisions of 32-5-104.
 22 Section 3. Section 32-5-403, MCA, is amended to read:
 23 "32-5-403. Annual examinations -- cost. (1) The
 24 department shall make an annual examination of the books,
 25 accounts, and records of every licensee insofar as they

1 relate to transactions with borrowers under this chapter and
 2 may make such additional examinations as the department
 3 deems necessary.

4 (2) The expenses of the department incurred in the
 5 examination of the books and records of the licensees shall
 6 be charged at the rate of ~~\$200~~ per person per day required
 7 to conduct the examinations of the respective licensees a
 8 rate to be established by the department by rule. Such fees
 9 shall be established to recover all of the costs of the
 10 supervision program of the department. Each licensee shall
 11 be billed by the department for the amount so charged to
 12 such licensee. If said charge is not paid within 30 days
 13 after the mailing of such bill, the license of said licensee
 14 may be suspended or revoked."

15 Section 8, Section 31-1-221, MCA, is amended to read:

16 "31-1-221. Licensing of sales finance companies
 17 required. (1) No person shall engage in the business of a
 18 sales finance company in this state without a license
 19 therefor as provided in this part, except that no bank,
 20 trust company, or savings and loan association authorized to
 21 do business in this state shall be required to obtain a
 22 license under this part but shall comply with all of the
 23 other provisions of this part.

24 (2) The application for such license shall be in
 25 writing, under oath, and in the form prescribed by the

1 department. The application shall contain:
 2 (a) the name of the applicant;
 3 (b) date of incorporation, if incorporated;
 4 (c) the address where the business is or is to be
 5 conducted and similar information as to any branch office of
 6 the applicant;
 7 (d) the name and resident address of the owner or
 8 partners or, if a corporation or association, of the
 9 directors, trustees, and principal officers, and
 10 (e) such other pertinent information as the department
 11 may require.
 12 (3) The license fee for each calendar year or part
 13 thereof shall be the sum of \$100 for each place of business
 14 of the licensee in this state.
 15 (4) Each license shall specify the location of the
 16 office or branch and must be conspicuously displayed there.
 17 In case such location be changed, the department shall
 18 endorse the change of location of the license without
 19 charge.
 20 (5) Upon the filing of such application and the
 21 payment of said fee, the department shall issue a license to
 22 the applicant to engage in the business of a sales finance
 23 company under and in accordance with the provisions of this
 24 part for a period which shall expire December 31 next
 25 following the date of its issuance. Such license shall not

1 ~~be transferable or assignable. No licensee shall transact~~
2 ~~any business provided for by this part under any other name.~~
3 ~~(6) Fees collected under this chapter shall be~~
4 ~~deposited in the state special revenue fund for the use of~~
5 ~~the department in its supervision function."~~

6 NEW SECTION. Section 4. Extension of authority. Any
7 existing authority of the department of commerce to make
8 rules on the subject of the provisions of this act is
9 extended to the provisions of this act.

10 NEW SECTION. Section 5. Effective date. This act is
11 effective on passage and approval.

-End-

SENATE

STANDING COMMITTEE REPORT

MARCH 20

19 85

MR. PRESIDENT

We, your committee on BUSINESS & INDUSTRY

having had under consideration HOUSE BILL No. 460

third reading copy (blue color)

FEEES TO COVER COSTS OF EXAMINING STATE FINANCIAL INSTITUTIONS (Gage)

Respectfully report as follows: That HOUSE BILL No. 460

be amended as follows:

- 1. Title, line 10. Following: "FUNDS" Insert: "PROVIDING THAT ALL FUNDS COLLECTED AS A RESULT OF ASSESSMENTS BE DEPOSITED IN THE STATE SPECIAL REVENUE FUND;"
2. Page 2, line 3. Following: line 2 Strike: "THE GENERAL FUND" Insert: "the state special revenue fund for the use of the department in its examination function"
3. Page 2, line 11. Following: "function" Strike: "THE GENERAL FUND" Insert: "the state special revenue fund for the use of the department in its examination function"
4. Page 3, line 9 and 10. Following: "fund-of" on line 9 Strike: remainder of line 9 through "FUND OF" on line 10
5. Page 3, line 11. Following: "function" Insert: "special revenue fund for the use of the department in its examination function"

AND AS AMENDED BE CONCURRED IN

DO NOT PASS

Handwritten signature and name of committee member

SENATE

STANDING COMMITTEE REPORT

Page 1 of 4

Business & Industry
Page 2 of 4
House Bill 460

March 25 1985

MARCH 25 1985

MR. PRESIDENT

We, your committee on BUSINESS & INDUSTRY

having had under consideration HOUSE BILL No. 460

third reading copy (blue color)

FEEES TO COVER COSTS OF EXAMINING STATE FINANCIAL INSTITUTIONS
(Gage)

Respectfully report as follows: That HOUSE BILL No. 460
be amended as follows:

1. Title, line 10.
Following: "31-1-221,"
Insert: "31-1-221,"

2. Title, line 11.
Following: "32-2-102,"
Insert: "32-1-215, 32-2-102,"
Following: "32-5-201,"
Insert: "32-3-201, 32-5-201,"

3. Page 2, line 25.
Following: line 24
Insert: "Section 2. Section 32-1-215, MCA, is amended to
read:

"32-1-215. Special examinations and fees. Special examinations may be made of a bank, trust company, investment company, building and loan association, or credit union when in the judgment of the department it is considered necessary, and the special examination shall be charged for at the rate of \$100 a day for each person engaged in the examination. All special examination fees or charges shall be paid at the conclusion of the examination, and the moneys collected by the department shall be paid to the state treasurer for the credit of the-general-fund the state special revenue fund for the use of the department in its examination function."

4. Page 3, line 7.
Following: line 6

Insert: "Section 3. Section 32-2-102, MCA, is amended to read:

"32-2-102. Fees paid into state treasury. All fees provided for in this chapter and paid to the department or secretary of state shall be by them turned in to the state treasury for the credit of the-general-fund-of the--state-of-Montana the state special revenue fund for the use of the department in its examination function."

Renumber: subsequent section

5. Page 4, following line 25.

Insert: "Section 5. Section 32-3-201, MCA, is amended to read:

"32-3-201. Director of the department of commerce. (1) The director shall administer the laws of this state relating to credit unions. He may appoint or employ such special assistants, deputies, examiners, or other employees as are necessary for the purpose of administering or enforcing this chapter.

(2) The director may prescribe rules for the administration of this chapter and may establish chartering, supervisory, and examination fees. Fees so collected must be deposited in the state special revenue fund for the use of the department in its supervision function.

(3) The director shall, from time to time, issue rules prescribing the minimum amount of surety bond coverage and casualty, liability, and fire insurance required of credit unions in relation to their assets or to the money and other personal property involved or their exposure to risk."

6. Page 6, line 22.

Following: line 21

Insert: "Section 6. Section 32-5-201, MCA, is amended to read:

"32-5-201. License application and fees -- supplementary license. (1) (a) A place of business operated under this chapter shall properly display on the premises a nontransferable and nonassignable license. The same person may obtain additional licenses upon compliance with this chapter as to each license.

FOUR PAGE

XXXXXXXX

(continued)

Chairman

(continued)

(b) Application for a license shall be on a form prescribed and furnished by the department.
(c) A licensee may move his place of business from one place to another within a county without obtaining a new license, provided he obtains written permission from the department.

(d) With each application the applicant shall submit \$50 as an investigation fee and \$125 as a license fee. The license fee shall be returned to the applicant if the application is denied. The license year is the calendar year, and the license fee for any period less than 6 months is \$62.50. A license remains in force until surrendered, suspended, or revoked.

(2) No licensee under the provisions of this chapter shall lend money in a total sum greater than \$1,000 to any borrower or to any borrower and spouse except under the following circumstances:

(a) When any person holding a license provided for in subsection (1) desires to make loans for any amount in excess of \$1,000, the holder of such license may apply to the department for a supplementary license and pay therefor an additional license fee of \$75 per calendar year or one-half of said sum for any period less than 6 months.

(b) The department shall grant, on application, a supplementary license to a holder of a license provided for in subsection (1).

(c) Section 32-5-204 shall be applicable as to time of payment of supplementary license fee and penalty for failure to pay the same.

(d) Provisions of 32-5-301 relating to refunds, fees, and charges and the other provisions of this chapter not inconsistent with this section shall be applicable to loans made under authority of a supplementary license.

(3) All moneys collected under the authority of this chapter shall be paid ~~into the state treasury~~ by the department into the state special revenue fund for the use of the department in its supervision function.

(4) The amount of \$1,000 in subsection (2) is subject to change pursuant to the provisions of 32-5-104."

Renumber: subsequent sections

7. Page 9, line 6.
Following: line 5
Insert: Section 8. Section 31-1-221, MCA, is amended to read:

"31-1-221. Licensing of sales finance companies required. (1) No person shall engage in the business of a sales finance company in this state without a license therefor as provided in this part, except that no bank, trust company, or savings and loan association authorized to do business in this state shall be required to obtain a license under this part but shall comply with all of the other provisions of this part.

(2) The application for such license shall be in writing, under oath, and in the form prescribed by the department. The application shall contain:

(a) the name of the applicant;
(b) date of incorporation, if incorporated;

(c) the address where the business is or is to be conducted and similar information as to any branch office of the applicant;

(d) the name and resident address of the owner or partners or, if a corporation or association, of the directors, trustees, and principal officers; and
(e) such other pertinent information as the department may require.

(3) The license fee for each calendar year or part thereof shall be the sum of \$100 for each place of business of the licensee in this state.

(4) Each license shall specify the location of the office or branch and must be conspicuously displayed there. In case such location be changed, the department shall endorse the change of location of the license without charge.

(5) Upon the filing of such application and the payment of said fee, the department shall issue a license to the applicant to engage in the business of a sales finance company under and in accordance with the provisions of this part for a period which shall expire December 31 next following the date of its issuance. Such license shall not be transferable or assignable. No licensee shall transact any business provided for by this part under any other name.

(6) Fees collected under this chapter shall be deposited in the state special revenue fund for the use of the department in its supervision function."

Renumber: subsequent sections

AND AS AMENDED
BE CONCURRED IN

(continued) *MYA*

Mike Halligan
Sen. Mike Halligan

1 STATEMENT OF INTENT

2 HOUSE BILL 460

3 House Business and Labor Committee

4

5 A statement of intent is required for this bill because
6 it authorizes the department of commerce to adopt rules
7 establishing fees for the examination of building and loan
8 associations and consumer loan businesses. The bill also
9 authorizes the department to establish fees for the
10 examination of other financial institutions. It is the
11 intent of the legislature that fees established under this
12 bill be set to recover the costs of the program implemented.

1 ~~charges shall be paid at the conclusion of the examination,~~
 2 ~~and the moneys collected by the department shall be paid to~~
 3 ~~the state treasurer for the credit of the general fund the~~
 4 ~~state special revenue fund for the use of the department in~~
 5 ~~its examination function."~~

6 SECTION 2. SECTION 32-1-215, MCA, IS AMENDED TO READ:

7 "32-1-215. Special examinations and fees. Special
 8 examinations may be made of a bank, trust company,
 9 investment company, building and loan association, or credit
 10 union when in the judgment of the department it is
 11 considered necessary, and the special examination shall be
 12 charged for at the rate of \$100 a day for each person
 13 engaged in the examination. All special examination fees or
 14 charges shall be paid at the conclusion of the examination,
 15 and the moneys collected by the department shall be paid to
 16 the state treasurer for the credit of the general fund the
 17 state special revenue fund for the use of the department in
 18 its examination function."

19 Section 3. Section 32-2-102, MCA, is amended to read:

20 "32-2-102. Fees paid into state treasury. All fees
 21 provided for in this chapter and paid to the department or
 22 secretary of state shall be by them turned in to the state
 23 treasury for the credit of the general fund of the state of
 24 Montana the state special revenue fund for the use of the
 25 department in its examination function."

1 SECTION 3. SECTION 32-2-102, MCA, IS AMENDED TO READ:

2 "32-2-102. Fees paid into state treasury. All fees
 3 provided for in this chapter and paid to the department or
 4 secretary of state shall be by them turned in to the state
 5 treasury for the credit of the general fund of the state of
 6 Montana the state special revenue fund for the use of the
 7 department in its examination function."

8 Section 4. Section 32-2-110, MCA, is amended to read:

9 "32-2-110. Payments to be made by building and loan
 10 associations. For the credit of the general fund of THE
 11 GENERAL FUND OF the state special revenue fund for the use
 12 of the department in its examination function SPECIAL
 13 REVENUE FUND FOR THE USE OF THE DEPARTMENT IN ITS
 14 EXAMINATION FUNCTION, each building and loan association
 15 under the supervision of the department shall pay to the
 16 state treasurer, on or before July 1 each year, a fee based
 17 upon the total assets of such association as shown by its
 18 last annual statement and upon the following rates:
 19 established by the department by rule on or before June 1 of
 20 each year. The fees must be set to recover all of the costs
 21 of the program of supervision of building and loan
 22 associations.

23 (1) The minimum fee to be paid by any building and
 24 loan association shall be the sum of \$100.

25 (2) For the first \$5 million of assets, a charge of 15

HOUSE BILL NO. 460

INTRODUCED BY THOMAS, SIMON

BY REQUEST OF THE DEPARTMENT OF COMMERCE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR THE DEPARTMENT OF COMMERCE TO RECOVER THE COSTS OF EXAMINATION OF STATE-CHARTERED FINANCIAL INSTITUTIONS; PROVIDING FOR RULEMAKING AUTHORITY; ~~PROVIDING THAT ALL FUNDS COLLECTED AS A RESULT OF ASSESSMENTS BE DEPOSITED IN THE STATE SPECIAL REVENUE FUND;~~ PROVIDING THAT ALL FUNDS COLLECTED AS A RESULT OF ASSESSMENTS BE DEPOSITED IN THE STATE SPECIAL REVENUE FUND; AMENDING SECTIONS ~~32-1-221,~~ 31-1-221, 32-1-213, ~~32-1-215, 32-2-102,~~ 32-1-215, 32-2-102, 32-2-110, ~~32-3-201,~~ 32-5-201, 32-3-201, 32-5-201, AND 32-5-403, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 32-1-213, MCA, is amended to read:

"32-1-213. Payments to be made by banks, investment companies, and trust companies. (1) 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%~~ all 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 ~~the general fund~~ the state special revenue fund for the use of the department in its examination function ~~THE GENERAL FUND~~ THE STATE SPECIAL REVENUE FUND FOR THE USE OF THE DEPARTMENT IN ITS EXAMINATION FUNCTION.

(2) In addition to the above assessment, trust companies shall pay to the department an examination fee of \$200 per day for each examiner involved in examining the trust assets under the control, safekeeping, or fiduciary responsibility of the trust company. Such fees shall be deposited by the department in ~~the general fund~~ the state special revenue fund for the use of the department in its examination function ~~THE GENERAL FUND~~ THE STATE SPECIAL REVENUE FUND FOR THE USE OF THE DEPARTMENT IN ITS EXAMINATION FUNCTION.

~~Section 2. Section 32-1-215, MCA, is amended to read:~~

~~"32-1-215. Special examinations and fees. Special examinations may be made of a bank, trust company, investment company, building and loan association, or credit union when in the judgment of the department it is considered necessary, and the special examination shall be charged for at the rate of \$100 a day for each person engaged in the examination. All special examination fees or~~

1 may--obtain--additional--licenses--upon--compliance--with--this
2 chapter--as--to--each--license.;

3 {b}--Application--for--a--license--shall--be--on--a--form
4 prescribed--and--furnished--by--the--department.;

5 {c}--A--licensee--may--move--his--place--of--business--from--one
6 place--to--another--within--a--county--without--obtaining--a--new
7 license,--provided--he--obtains--written--permission--from--the
8 department.;

9 {d}--With--each--application--the--applicant--shall--submit
10 \$50--as--an--investigation--fee--and--\$125--as--a--license--fee.---The
11 license--fee--shall--be--returned--to--the--applicant--if--the
12 application--is--denied,--The--license--year--is--the--calendar
13 year,--and--the--license--fee--for--any--period--less--than--6--months
14 is--\$62,50,--A--license--remains--in--force--until--surrendered,
15 suspended,--or--revoked.;

16 {2}--No--licensee--under--the--provisions--of--this--chapter
17 shall--lend--money--in--a--total--sum--greater--than--\$17,000--to--any
18 borrower--or--to--any--borrower--and--spouse--except--under--the
19 following--circumstances.;

20 {a}--When--any--person--holding--a--license--provided--for--in
21 subsection--(1)--desires--to--make--loans--for--any--amount--in
22 excess--of--\$17,000,--the--holder--of--such--license--may--apply--to
23 the--department--for--a--supplementary--license--and--pay--therefor
24 an--additional--license--fee--of--\$75--per--calendar--year--or
25 one--half--of--said--sum--for--any--period--less--than--6--months.;

1 {b}--The--department--shall--grant,--on--application,--a
2 supplementary--license--to--a--holder--of--a--license--provided--for
3 in--subsection--(1).;

4 {c}--Section--32-5-204--shall--be--applicable--as--to--time--of
5 payment--of--supplementary--license--fee--and--penalty--for--failure
6 to--pay--the--same.;

7 {d}--Provisions--of--32-5-301--relating--to--refunds,--fees,
8 and--charges--and--the--other--provisions--of--this--chapter--not
9 inconsistent--with--this--section--shall--be--applicable--to--loans
10 made--under--authority--of--a--supplementary--license.;

11 {3}--All--moneys--collected--under--the--authority--of--this
12 chapter--shall--be--paid--into--the--state--treasury--by--the
13 department--into--the--state--special--revenue--fund--for--the--use
14 of--the--department--in--its--supervision--function.;

15 {4}--The--amount--of--\$17,000--in--subsection--(2)--is--subject
16 to--change--pursuant--to--the--provisions--of--32-5-104.;"

17 SECTION 6. SECTION 32-5-201, MCA, IS AMENDED TO READ:

18 "32-5-201. License application and fees --
19 supplementary license. (1) (a) A place of business operated
20 under this chapter shall properly display on the premises a
21 nontransferable and nonassignable license. The same person
22 may obtain additional licenses upon compliance with this
23 chapter as to each license.

24 (b) Application for a license shall be on a form
25 prescribed and furnished by the department.

1 cents-for-each-\$1,000-of-assets-shall-be-made;
 2 {3}--For-the-second-\$5-million-of-assets;a-charge-of
 3 10-cents-for-each-\$1,000-of-assets-shall-be-made.
 4 {4}--For--assets--in--excess--of--\$10--million--but--not
 5 exceeding-\$20-million;a-charge-of-5-cents-for--each--\$1,000
 6 of-assets-shall-be-made.
 7 {5}--For--assets--in--excess--of--\$20--million--but--not
 8 exceeding-\$30-million;a-charge-of-3-cents-for--each--\$1,000
 9 of-assets-shall-be-made.
 10 {6}--For--all--assets--in--excess--of--\$30--million;a-charge
 11 of-2-cents-for-each-\$1,000-of-assets-shall-be-made."
 12 Section-5.--Section-32-3-201,MCA,is-amended-to--read:
 13 "32-3-201.--Director--of--the--department--of--commerce:
 14 {1}-The-director-shall-administer-the-laws--of--this--state
 15 relating--to--credit--unions.--He-may-appoint-or-employ-such
 16 special-assistants,deputies,examiners,or-other-employees
 17 as--are--necessary--for--the--purpose--of--administering--or
 18 enforcing-this-chapter.
 19 {2}-The--director--may--prescribe--rules--for--the
 20 administration-of-this-chapter-and-may-establish-chartering,
 21 supervisory,--and--examination-fees.--Fees-so-collected-must
 22 be-deposited-in-the-state-special-revenue-fund-for-the-use
 23 of-the-department-in-its-supervision-function.
 24 {3}-The-director-shall,from-time-to-time,issue-rules
 25 prescribing--the--minimum-amount-of-surety-bond-coverage-and

1 casualty,liability,and-fire-insurance-required--of--credit
 2 unions-in-relation-to-their-assets-or-to-the-money-and-other
 3 personal-property-involved-or-their-exposure-to-risk."
 4 SECTION 5. SECTION 32-3-201, MCA, IS AMENDED TO READ:
 5 "32-3-201. Director of the department of commerce. (1)
 6 The director shall administer the laws of this state
 7 relating to credit unions. He may appoint or employ such
 8 special assistants, deputies, examiners, or other employees
 9 as are necessary for the purpose of administering or
 10 enforcing this chapter.
 11 (2) The director may prescribe rules for the
 12 administration of this chapter and may establish chartering,
 13 supervisory, and examination fees. Fees so collected must
 14 be deposited in the state special revenue fund for the use
 15 of the department in its supervision function.
 16 (3) The director shall, from time to time, issue rules
 17 prescribing the minimum amount of surety bond coverage and
 18 casualty, liability, and fire insurance required of credit
 19 unions in relation to their assets or to the money and other
 20 personal property involved or their exposure to risk."
 21 Section-6.--Section--32-5-201,MCA,is-amended-to-read:
 22 "32-5-201.--License--application--and--fees--
 23 supplementary-license--(1)-(a)-A-place-of-business-operated
 24 under--this-chapter-shall-properly-display-on-the-premises-a
 25 nontransferable-and-nonassignable-license.--The--same--person

1 supervision program of the department. Each licensee shall
 2 be billed by the department for the amount so charged to
 3 such licensee. If said charge is not paid within 30 days
 4 after the mailing of such bill, the license of said licensee
 5 may be suspended or revoked."

6 Section 8, ~~Section 31-1-221, MCA,~~ is amended to read:

7 "~~31-1-221, Licensing of sales finance companies~~
 8 ~~required, (1) No person shall engage in the business of a~~
 9 ~~sales finance company in this state without a license~~
 10 ~~therefor as provided in this part, except that no bank,~~
 11 ~~trust company, or savings and loan association authorized to~~
 12 ~~do business in this state shall be required to obtain a~~
 13 ~~license under this part but shall comply with all of the~~
 14 ~~other provisions of this part;~~

15 (2) ~~The application for such license shall be in~~
 16 ~~writing, under oath, and in the form prescribed by the~~
 17 ~~department. The application shall contain:~~

18 (a) ~~the name of the applicant;~~

19 (b) ~~date of incorporation, if incorporated;~~

20 (c) ~~the address where the business is or is to be~~
 21 ~~conducted and similar information as to any branch office of~~
 22 ~~the applicant;~~

23 (d) ~~the name and resident address of the owner or~~
 24 ~~partners or, if a corporation or association, of the~~
 25 ~~directors, trustees, and principal officers; and~~

1 (e) ~~such other pertinent information as the department~~
 2 ~~may require;~~

3 (3) ~~The license fee for each calendar year or part~~
 4 ~~thereof shall be the sum of \$100 for each place of business~~
 5 ~~of the licensee in this state;~~

6 (4) ~~Each license shall specify the location of the~~
 7 ~~office or branch and must be conspicuously displayed there~~
 8 ~~in case such location be changed, the department shall~~
 9 ~~endorse the change of location of the license without~~
 10 ~~charge;~~

11 (5) ~~Upon the filing of such application and the~~
 12 ~~payment of said fee, the department shall issue a license to~~
 13 ~~the applicant to engage in the business of a sales finance~~
 14 ~~company under and in accordance with the provisions of this~~
 15 ~~part for a period which shall expire December 31 next~~
 16 ~~following the date of its issuance. Such license shall not~~
 17 ~~be transferable or assignable. No licensee shall transact~~
 18 ~~any business provided for by this part under any other name;~~

19 (6) ~~Fees collected under this chapter shall be~~
 20 ~~deposited in the state special revenue fund for the use of~~
 21 ~~the department in its supervision function."~~

22 SECTION 8. SECTION 31-1-221, MCA, IS AMENDED TO READ:

23 "31-1-221. Licensing of sales finance companies
 24 required. (1) No person shall engage in the business of a
 25 sales finance company in this state without a license

1 (c) A licensee may move his place of business from one
2 place to another within a county without obtaining a new
3 license, provided he obtains written permission from the
4 department.

5 (d) With each application the applicant shall submit
6 \$50 as an investigation fee and \$125 as a license fee. The
7 license fee shall be returned to the applicant if the
8 application is denied. The license year is the calendar
9 year, and the license fee for any period less than 6 months
10 is \$62.50. A license remains in force until surrendered,
11 suspended, or revoked.

12 (2) No licensee under the provisions of this chapter
13 shall lend money in a total sum greater than \$1,000 to any
14 borrower or to any borrower and spouse except under the
15 following circumstances:

16 (a) When any person holding a license provided for in
17 subsection (1) desires to make loans for any amount in
18 excess of \$1,000, the holder of such license may apply to
19 the department for a supplementary license and pay therefor
20 an additional license fee of \$75 per calendar year or
21 one-half of said sum for any period less than 6 months.

22 (b) The department shall grant, on application, a
23 supplementary license to a holder of a license provided for
24 in subsection (1).

25 (c) Section 32-5-204 shall be applicable as to time of

1 payment of supplementary license fee and penalty for failure
2 to pay the same.

3 (d) Provisions of 32-5-301 relating to refunds, fees,
4 and charges and the other provisions of this chapter not
5 inconsistent with this section shall be applicable to loans
6 made under authority of a supplementary license.

7 (3) All moneys collected under the authority of this
8 chapter shall be paid ~~into the state treasury~~ by the
9 department into the state special revenue fund for the use
10 of the department in its supervision function.

11 (4) The amount of \$1,000 in subsection (2) is subject
12 to change pursuant to the provisions of 32-5-104."

13 Section 7. Section 32-5-403, MCA, is amended to read:
14 "32-5-403. Annual examinations -- cost. (1) The
15 department shall make an annual examination of the books,
16 accounts, and records of every licensee insofar as they
17 relate to transactions with borrowers under this chapter and
18 may make such additional examinations as the department
19 deems necessary.

20 (2) The expenses of the department incurred in the
21 examination of the books and records of the licensees shall
22 be charged ~~at the rate of \$200 per person per day required~~
23 ~~to conduct the examinations of the respective licensees a~~
24 rate to be established by the department by rule. Such fees
25 shall be established to recover all of the costs of the

1 therefor as provided in this part, except that no bank,
 2 trust company, or savings and loan association authorized to
 3 do business in this state shall be required to obtain a
 4 license under this part but shall comply with all of the
 5 other provisions of this part.

6 (2) The application for such license shall be in
 7 writing, under oath, and in the form prescribed by the
 8 department. The application shall contain:

9 (a) the name of the applicant;

10 (b) date of incorporation, if incorporated;

11 (c) the address where the business is or is to be
 12 conducted and similar information as to any branch office of
 13 the applicant;

14 (d) the name and resident address of the owner or
 15 partners or, if a corporation or association, of the
 16 directors, trustees, and principal officers; and

17 (e) such other pertinent information as the department
 18 may require.

19 (3) The license fee for each calendar year or part
 20 thereof shall be the sum of \$100 for each place of business
 21 of the licensee in this state.

22 (4) Each license shall specify the location of the
 23 office or branch and must be conspicuously displayed there.
 24 In case such location be changed, the department shall
 25 endorse the change of location of the license without

1 charge.

2 (5) Upon the filing of such application and the
 3 payment of said fee, the department shall issue a license to
 4 the applicant to engage in the business of a sales finance
 5 company under and in accordance with the provisions of this
 6 part for a period which shall expire December 31 next
 7 following the date of its issuance. Such license shall not
 8 be transferable or assignable. No licensee shall transact
 9 any business provided for by this part under any other name.

10 (6) Fees collected under this chapter shall be
 11 deposited in the state special revenue fund for the use of
 12 the department in its supervision function."

13 NEW SECTION. Section 9. Extension of authority. Any
 14 existing authority of the department of commerce to make
 15 rules on the subject of the provisions of this act is
 16 extended to the provisions of this act.

17 NEW SECTION. Section 10. Effective date. This act is
 18 effective on passage and approval.

-End-