



FINANCIAL INSTITUTIONS: FY 2014 FEE SCHEDULE

BUSINESS, ECONOMIC DEVELOPMENT, AND LABOR APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

Summary

This issue brief contains the Department of Financial Institutions’ proposed FY 2014 fee schedule. If approved, these fees would be new to the fee schedule. Recommendations from the Fiscal Analyst are contained at the end of this issue brief.

Fee Schedule

Financial Institutions - Financial Institutions Administration - Administration

	Old Fee	New Fee	Fee Change	Quantity	Rev Chg
1786. Annual Report	0.00	8.00	8.00	5	40
1787. Annual Report (mailed)	0.00	9.87	9.87	3	30
1788. Code Book	0.00	20.00	20.00	3	60
1789. Code Book (mailed)	0.00	21.87	21.87	2	44
1790. Photocopies	0.00	.25	.25	10	3
1791. Third Party Payment Provider - Initial Filing Fee	0.00	100.00	100.00	55	5,500
1792. Third Party Payment Provider - Renewal Fee	0.00	100.00	100.00	2	200
Subtotal, Administration					\$5,876

Fee Explanations

The Department of Financial Institutions has provided an explanation for each fee:

1786. Annual Report – this fee covers the printing costs for the Department’s Annual Report for anyone picking one up in person. Since the report is also available on our website, we have not sold an Annual Report in person since 2010.

1787. Annual Report (mailed) – this fee covers the printing and postage costs for the Department’s Annual Report for anyone wanting a report mailed to them. We sold and mailed two copies of the Annual Report in 2012 and nine copies in 2011. The sale of Annual Report is not a significant activity of the Department. We only charge enough to recover our costs.

1788. Code Book – this fee covers the per book cost for the “Financial Institutions Laws and Rules of Utah Annotated” code books purchased by the Department from Lexis-Nexis. Lexis-Nexis produces the code books and the Department purchases 200+ from them. We send a code book to each depository institution under the Department’s supervision and each Department employee receives a copy. Any extra books are made available at our cost to anyone wanting to purchase a book. Lexis-Nexis also sells these books through their catalogs and over the internet, for a higher price. In 2012 and 2011, we did not sell any code books in person.

1789. Code Book (mailed) – this fee covers the per book cost and postage of anyone wanting a code book mailed to them. In 2012 we did not sell and mail any code books. In 2011, we sold and mailed one code book. The sale of Code Books is not a significant activity of the Department. We only charge enough to recover our costs.

1790. Photocopies – this fee covers the Department’s costs to make photocopies, when requested. We didn’t assess this fee to anyone in 2012 or 2011. However, we maintain the fee just in case someone requests copies of public information we have in the Department.

1791. *Third Party Payment Provider - Initial Filing Fee* – this fee is established in Administrative Rule R331-14-4(4), pursuant to U.C.A. 7-1-301, 7-1-501(2)(h)(iii), and 7-1-505. It is the initial filing fee required of anyone seeking a license to effect third-party payments (selling money orders, selling travelers checks, making wire transfers, etc.) in the State of Utah. This fee covers some of the Department’s costs for reviewing and approving applicant’s requests to be licensed in Utah as a third party payment provider. Year over year, we have very few initial applications for someone to become a third party payment provider. Nearly all of our revenue in this program comes from applicants seeking to renew their license (see the Renewal Fee below).

1792. *Third Party Payment Provider - Renewal Fee* – this fee is established in Administrative Rule R331-14-5(2), pursuant to U.C.A. 7-1-301, 7-1-501(2) (h) (iii), and 7-1-505. It is the fee required of anyone seeking to renew their license as a third-party payment provider. The fee covers some of the Department’s costs for reviewing and approving applicant’s requests to renew their license. In 2012, we collected fees from 101 initial and renewal applicants for a total of \$10,100 in revenue. In 2011, the amount collected was \$9,100. Compared with the Department’s total revenues of \$7,006,286 and \$6,644,902 for 2012 and 2011, respectively, the fees collected for third party payment provider licenses is not significant, and doesn’t cover all of our costs.

Recommendations

In accordance with UCA 63J-1-504 requiring the department to “submit its fee schedule . . . to the Legislature for its approval on an annual basis”, UCA 63J-1-504 also states, “the Legislature may approve, increase or decrease and approve, or reject any fee submitted to it by a fee agency.”

After review and adjustment, the Fiscal Analyst recommends the subcommittee approve the Department of Financial Institutions’ proposed FY 2014 fee schedule outlined above.