

FINANCIAL SERVICES TASK FORCE

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: D. Chris Butters

This act creates the Financial Services Task Force. This act amends the purposes for which the funds in the Financial Institutions Restricted Account may be used. This act provides for the membership of the task force, task force chairs, rules of the task force, compensation of task force members, and staff support. The act specifies the duties and reporting requirements for the task force. The act appropriates a total of \$88,000 from the Financial Institutions Restricted Account of the General Fund for fiscal year 2000-01 to the Senate, the House of Representatives, and the Office of Legislative Research and General Counsel to fund the two-year task force. The uncodified sections of this act are repealed November 30, 2002.

AMENDS:

7-1-403, as last amended by Chapter 1, Laws of Utah 1986, Fourth Special Session

This act enacts uncodified material.

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **7-1-403** is amended to read:

7-1-403. Funds and balances paid to treasurer -- Separate account -- Use of funds.

(1) Unexpended balances and all funds accruing to the department;

(a) shall be deposited by the commissioner with the state treasurer monthly; and

(b) constitute a separate account within the General Fund called the Financial Institutions Restricted Account.

(2) No part of the [~~account~~] Financial Institutions Restricted Account may revert to the General Fund except an amount as required by law to be transferred for general government and administrative costs.

(3) With the approval of the director of the Division of Finance, the commissioner may



28 withdraw sums from the ~~[account]~~ Financial Institutions Restricted Account to:

29 (a) pay costs and expenses of administration incurred in proceedings under ~~[Title 7,]~~

30 Chapters 1, 2, and 19~~[-]~~; or ~~[to]~~

31 (b) use in connection with the rehabilitation, reorganization, or liquidation of an institution
32 under the jurisdiction of the department.

33 (4) The Legislature may appropriate monies from the Financial Institutions Restricted
34 Account to fund studies related to financial institutions regulated under this title.

35 Section 2. **Financial Services Task Force -- Creation -- Membership -- Chairs --**

36 **Interim rules followed -- Compensation.**

37 (1) As used in this act:

38 (a) "1999 Act" means S.B. 237, Utah Credit Union Act Amendments (1999 General
39 Session); and

40 (b) "task force" means the Financial Services Task Force.

41 (2) There is created the Financial Services Task Force consisting of the following 12
42 members:

43 (a) five members of the Senate appointed by the president of the Senate, no more than
44 three of whom may be from the same political party; and

45 (b) seven members of the House of Representatives appointed by the speaker of the House
46 of Representatives, no more than four of whom may be from the same political party.

47 (3) (a) The president of the Senate shall designate a member of the Senate appointed under
48 Subsection (2)(a) as a cochair of the task force.

49 (b) The speaker of the House of Representatives shall designate a member of the House
50 of Representatives appointed under Subsection (2)(b) as a cochair of the task force.

51 (4) In conducting its business, the task force shall comply with the rules of legislative
52 interim committees.

53 (5) A member of the task force shall receive compensation and expenses in accordance
54 with Section 36-2-2 and Legislative Joint Rule 15.03.

55 (6) The Office of Legislative Research and General Counsel shall provide staff support to
56 the task force.

57 Section 3. **Duties and responsibilities -- Task force reporting requirements -- Staff**
58 **support.**

- 59 (1) The task force shall:
- 60 (a) study the performance of Utah financial institutions since the 1999 Act was enacted;
- 61 (b) study the legal disputes related to the implementation of the 1999 Act;
- 62 (c) study the record of compliance with the 1999 Act;
- 63 (d) study the history of the:
- 64 (i) credit union industry;
- 65 (ii) banking industry;
- 66 (iii) deposit insurance funds; and
- 67 (iv) Utah's financial institution laws related to credit unions and banks;
- 68 (e) compare Utah's laws related to credit unions and banks with:
- 69 (i) federal law; and
- 70 (ii) other states' laws;
- 71 (f) study the financial intermediation and the role of financial intermediaries in economic
- 72 growth;
- 73 (g) study the changes in financial services industry;
- 74 (h) study the taxation of financial institutions including:
- 75 (i) the impact of competition between:
- 76 (A) taxpaying financial institutions; and
- 77 (B) tax-exempt financial institutions;
- 78 (ii) the origin and purpose of the taxation structure for banks and the tax-exemption of
- 79 credit unions; and
- 80 (iii) the impact of the taxation structure for banks and the tax-exemption of credit unions
- 81 on:
- 82 (A) consumer choice;
- 83 (B) pricing of financial products and services;
- 84 (C) customer service; and
- 85 (D) financial institution efficiency;
- 86 (i) compare credit unions and mutual savings associations;
- 87 (j) analyze credit accessibility;
- 88 (k) analyze business lending by financial institutions by:
- 89 (i) size of loan;

- 90 (ii) type of loan; and
- 91 (iii) profile of borrower;
- 92 (l) study whether a credit union that meets certain thresholds should be required to convert
- 93 to a bank or other type of financial institution;
- 94 (m) analyze community involvement by financial institutions;
- 95 (n) study trends in changes in memberships of credit unions or account-holders of banks,
- 96 including whether these persons are changing from one type of financial institution to the other;
- 97 and
- 98 (o) study any other issue as determined by the task force relating to the operation of state
- 99 chartered banks and credit unions within the state.
- 100 (2) (a) The task force shall give an interim report to the Business, Labor, and Economic
- 101 Development Interim Committee in its November 2001 meeting.
- 102 (b) The task force shall give its final report to the Business, Labor, and Economic
- 103 Development Interim Committee by no later than November 2002.
- 104 Section 4. **Appropriation.**
- 105 There is appropriated from the Financial Institutions Restricted Account in the General
- 106 Fund for fiscal year 2000-01 to pay for the two-year task force:
- 107 (1) \$12,000 to the Senate to pay for the compensation and expenses of senators on the task
- 108 force;
- 109 (2) \$16,000 to the House of Representatives to pay for the compensation and expenses of
- 110 representatives on the task force; and
- 111 (3) \$60,000 to the Office of Legislative Research and General Counsel to pay for staffing
- 112 the task force.
- 113 Section 5. **Repeal date.**
- 114 The uncodified sections of this act are repealed November 30, 2002.

Legislative Review Note
as of 2-9-01 9:48 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel