

FINANCIAL INSTITUTIONS FEE AMENDMENTS

2014 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: James A. Dunnigan

Senate Sponsor: Curtis S. Bramble

LONG TITLE

General Description:

This bill modifies the Financial Institutions Act.

Highlighted Provisions:

This bill:

- ▶ reduces certain fees imposed by statute;
- ▶ addresses use of money by the commissioner; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

7-1-401, as last amended by Laws of Utah 2008, Chapter 96

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

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

Section 1. Section **7-1-401** is amended to read:

7-1-401. Fees payable to commissioner.

(1) Except for an out-of-state depository institution with a branch in Utah, a depository



28 institution under the jurisdiction of the department shall pay an annual fee:

29 (a) computed by averaging the total assets of the depository institution shown on each
30 quarterly report of condition for the depository institution for the calendar year immediately
31 proceeding the date on which the annual fee is due under Section 7-1-402; and

32 (b) at the following rates:

33 (i) on the first \$5,000,000 of these assets, the greater of:

34 (A) 65 cents per \$1,000; or

35 (B) \$500;

36 (ii) on the next \$10,000,000 of these assets, ~~36~~ 35 cents per \$1,000;

37 (iii) on the next \$35,000,000 of these assets, ~~17~~ 15 cents per \$1,000;

38 (iv) on the next \$50,000,000 of these assets, ~~14~~ 12 cents per \$1,000;

39 (v) on the next \$200,000,000 of these assets, ~~11~~ 10 cents per \$1,000;

40 (vi) on the next \$300,000,000 of these assets, ~~7~~ 6 cents per \$1,000; and

41 (vii) on all amounts over \$600,000,000 of these assets, ~~2.625~~ 2 cents per \$1,000.

42 (2) A financial institution with a trust department shall pay a fee determined in
43 accordance with Subsection (7) for each examination of the trust department by a state
44 examiner.

45 (3) Notwithstanding Subsection (1), a credit union in its first year of operation shall
46 pay a basic fee of \$25 instead of the fee required under Subsection (1).

47 (4) A trust company that is not a depository institution or a subsidiary of a depository
48 institution holding company shall pay:

49 (a) an annual fee of \$500; and

50 (b) an additional fee determined in accordance with Subsection (7) for each
51 examination by a state examiner.

52 (5) Any person or institution under the jurisdiction of the department that does not pay
53 a fee under Subsections (1) through (4) shall pay:

54 (a) an annual fee of \$200; and

55 (b) an additional fee determined in accordance with Subsection (7) for each
56 examination by a state examiner.

57 (6) A person filing an application or request under Section 7-1-503, 7-1-702, 7-1-703,
58 7-1-704, 7-1-713, 7-5-3, or 7-18a-202 shall pay:

59 (a) (i) a filing fee of \$500 if on the day on which the application or request is filed the
60 person:

61 (A) is a person with authority to transact business as:

62 (I) a depository institution;

63 (II) a trust company; or

64 (III) any other person described in Section 7-1-501 as being subject to the jurisdiction
65 of the department; and

66 (B) has total assets in an amount less than \$5,000,000; or

67 (ii) a filing fee of \$2,500 for any person not described in Subsection (6)(a)(i); and

68 (b) all reasonable expenses incurred in processing the application.

69 (7) (a) Per diem assessments for an examination shall be calculated at the rate of \$55
70 per hour:

71 (i) for each examiner; and

72 (ii) per hour worked.

73 (b) For an examination of a branch or office of a financial institution located outside of
74 this state, in addition to the per diem assessment under this Subsection (7), the institution shall
75 pay all reasonable travel, lodging, and other expenses incurred by each examiner while
76 conducting the examination.

77 (8) In addition to a fee under Subsection (5), a person registering under Section
78 7-23-201 or 7-24-201 shall pay an original registration fee of \$300.

79 Section 2. Section 7-1-403 is amended to read:

80 **7-1-403. Funds and balances paid to treasurer -- Separate account -- Use of**
81 **funds.**

82 [~~Unexpended~~] (1) The commissioner shall deposit unexpended balances and [all funds]
83 money accruing to the department [shall be deposited by the commissioner] with the state
84 treasurer monthly [~~and~~]. The unexpended balances and money accruing to the department
85 constitute a separate account within the General Fund. No part of the account may revert to the
86 General Fund except an amount as required by law to be transferred for general government
87 and administrative costs.

88 (2) With the approval of the director of the Division of Finance, the commissioner may
89 withdraw [~~sums~~] money from the account to pay costs and expenses of administration incurred

90 in proceedings under [~~Title 7, Chapters 1, 2, and 19~~] Chapter 1, General Provisions, Chapter 2,
91 Possession of Depository Institution by Commissioner, and Chapter 19, Acquisition of Failing
92 Depository Institutions or Holding Companies, or to use in connection with the rehabilitation,
93 reorganization, or liquidation of an institution under the jurisdiction of the department.

94 (3) The commissioner, after consultation with the Board of Financial Institutions and
95 with the approval of the director of the Division of Finance, may withdraw money from the
96 account to promote, protect, and encourage the dual banking system and state-chartered
97 institutions.

Legislative Review Note
as of 2-4-14 11:38 AM

Office of Legislative Research and General Counsel