

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2296-05
Bill No.: Perfected SS for SCS for SB 591
Subject: Banks and Financial Institutions; Credit Unions
Type: Original
Date: March 27, 2007

Bill Summary: This proposal modifies laws relating to credit union membership expansion.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Insurance, Financial Institutions and Professional Registration** assume the fiscal impact is indeterminable at this date. The impact is likely to be positive as it appears to lower the volume of meetings required for the Credit Union Commission, saving the Division the expense of per diem and mileage. While there will be some resources needed to implement the changes this bill would bring, it could be handled with current staff and no FTE requests appear to be needed. The Division is currently faced with the threat of a major loss of revenue as there is a serious threat of credit unions departing the state charter and converting to a federal charter for this specific reason (field of membership). Earlier in CY 2006, a large credit union converted and many more may follow in the event the field of membership situation is not settled in a timely manner. As the Division is wholly funded by state-chartered credit unions, loss of assessment would severely damage our ability to serve the remaining credit union industry and citizens.

Oversight assumes that any costs associated with implementing this proposal would be absorbed with existing resources. Oversight assumes this proposal would not have a fiscal impact on state funds.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

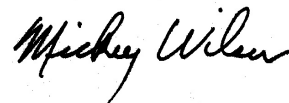
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Insurance, Financial Institutions and Professional Registration



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Director
March 27, 2007