

### Fiscal Estimate - 2003 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>03-0636/3</b>		<b>Introduction Number</b> <b>AB-2</b>	
<b>Subject</b>			
Universal banking and credit unions			
<b>Fiscal Effect</b>			
<b>State:</b>			
<input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate			
<input type="checkbox"/> Increase Existing Appropriations <input checked="" type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget			
<input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
<input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs			
<b>Local:</b>			
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities		<input type="checkbox"/> Counties <input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>		<b>Affected Ch. 20 Appropriations</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.144(1)(g)			
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
DFI/ Susan Dietzel (608) 267-0399		Susan Dietzel (608) 267-0399	1/22/2003

## Fiscal Estimate Narratives

DFI 1/22/2003

LRB Number	<b>03-0636/3</b>	Introduction Number	<b>AB-2</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Universal banking and credit unions					

### Assumptions Used in Arriving at Fiscal Estimate

This bill affects credit union formation, operation, and regulation. This bill also allows state savings banks, state savings and loan associations, and state banks to be certified as universal banks under the supervision of the division of banking.

#### Credit Unions

This bill modifies the schedule for examination of credit unions. It requires an examination at least once every 18 months. This schedule recognizes current practice and mirrors the examination schedule of the NCUA (National Credit Union Association). More frequent examinations are performed if there is a need to monitor the status of a particular credit union. There is no fiscal effect to the change in the examination schedule as this codifies present practice.

#### Universal Banking

The Division of Banking estimates approximately 40 applications for certification under this chapter in the first year. If the fee for such an application is established at \$1,000 (the current fee for conversions of federal banks), there will be one-time revenue of approximately \$40,000. Subsequent to the initial applications, the division estimates approximately 3 applications per year, for on-going annual revenue of \$3,000.

Initial costs associated with the establishment of universal banks include programming costs to add the new certification to the Department's computer system and development of forms for the new organization type. First year costs to review initial applications are estimated at approximately 0.15 FTE or approximately \$11,300 for salaries and fringe benefits. On-going review costs are not significant.

### Long-Range Fiscal Implications