



# OHIO LEGISLATIVE SERVICE COMMISSION

*Shannon Pleiman*

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## Fiscal Note & Local Impact Statement

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**Bill:** S.B. 317 of the 131st G.A.

**Date:** December 2, 2016

**Status:** As Passed by the Senate

**Sponsor:** Sens. Hughes and Coley

**Local Impact Statement Procedure Required:** No

**Contents:** Enacts a new Banking Law governing banks, savings and loan associations, and savings banks to be administered by the Department of Commerce

### State Fiscal Highlights

- The bill establishes a new Banking Law which may result in only minimal new administrative costs or can be implemented using existing resources for the Division of Financial Institutions within the Department of Commerce.
- The bill eliminates the Savings Institution Fund (Fund 5450) and ultimately consolidates the cost of oversight for the new Banking Law under the existing Banks Fund (Fund 5440). Beginning July 1, 2017, revenue that was deposited into Fund 5450 will be deposited instead into Fund 5440. FY 2016 deposits into Fund 5450 amounted to approximately \$2.4 million.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## **Detailed Fiscal Analysis**

The bill enacts a new Banking Law governing banks, savings and loan associations, and savings banks under the same statute. It provides a single "bank" charter under which all three types of financial institutions may operate and eliminates the separate law regulating savings and loan associations and savings banks. The Banking Law will continue to be under the supervision of the Division of Financial Institutions within the Department of Commerce. The bill is to take effect July 1, 2017.

The bill consolidates the cost of oversight for the new Banking Law under the existing Banks Fund (Fund 5440), repealing the Revised Code section establishing the Savings Institution Fund (Fund 5450) that has been used to pay for overseeing savings and loan associations and savings banks. Fund 5450 receives annual assessments and other fees on savings and loan associations and savings banks based upon total assets. Beginning July 1, 2017, these assessments and other fees will be deposited into Fund 5440. In FY 2016, approximately \$2.4 million was deposited into Fund 5450. As of November 2016, the fund balance is approximately \$2.5 million.

The bill makes many changes that do not have any significant fiscal impact on the state or local governments. Overall, the changes will result in only minimal new administrative costs for the Department of Commerce or can be implemented using existing resources.