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FISCAL NOTE (Form 1)  
(Office of Fiscal Analysis)  
Analyst: TN 4/15/92  
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Version: 2

BILL NUMBER: SB 4  
FILE NUMBER:  
AMENDMENTS:

TITLE: "AN ACT CONCERNING MUTUAL HOLDING COMPANIES"

FAVORABLY REPORTED BY Banks, Finance, Revenue and Bonding

EFFECTIVE DATE: 7/1/92

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FISCAL IMPACT STATEMENT - BILL NUMBER SB 4

STATE IMPACT	Revenue Loss, Potential Minimal Cost, Within Budgetary Resources, See explanation below
MUNICIPAL IMPACT	None
STATE AGENCY(S)	Department of Banking, Department of Revenue Services, Secretary of the State, Judicial Department

EXPLANATION OF ESTIMATES:

STATE IMPACT: It is anticipated that there will be a General Fund revenue loss to the state if mutual savings and savings and loan institutions are allowed to reorganize into mutual holding companies. The revenue loss will be incurred due to these reorganized institutions being exempt from the Controlling Interest Transfer Tax. The amount of loss is indeterminable because the number of these reorganizations is unknown.

There is a potential minimal cost for the Department of Banking who will be receiving and reviewing schedules of assets and liabilities from these reorganized institutions.

The Department of Banking may also incur a minimal cost with the potential of an increased number of certificates of authority to these institutions seeking to reorganize as mutual holding companies.

There is also an increased possibility for the banking commissioner to apply to the superior court for the purpose of placing a mutual holding company in receivership if the holding company sells at least 51% of its voting share as opposed to the current threshold of more than 51%.

It is anticipated that the Department of Banking can handle this potential work increase including the review of schedules of assets and liabilities, issuing certificates of authority and applying to the superior court for receivership of mutual holding companies within their normal budgetary resources.

To the extent that passage of this bill reduces the number of filings that mutual holding companies must file with the Office of the Secretary of the State, a General Fund revenue loss is indeterminate as it is contingent upon the number of times this situation occurs and the additional filings, if any, that may be involved. The revenue loss, however, is expected to be minimal.

There may be a potential increase in work for the Judicial Department with the possibility of the Banking Commission bringing mutual holding companies to superior court pertaining to an application for receivership. It is anticipated that the Judicial Department can handle this potential for additional cases within normal budgetary resources.