



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 29 of the 132nd G.A.

**Status:** As Introduced

**Sponsor:** Sens. Coley, and Oelslager

**Local Impact Statement Procedure Required:** No

**Subject:** Enacts a new Banking Law governing banks, savings and loan associations, and savings banks

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### State Fiscal Highlights

- The bill establishes a new Banking Law that could result in only minimal new administrative costs or that could be implemented with existing resources at the disposal of the Division of Financial Institutions within the Department of Commerce.
- The bill eliminates the Savings Institutions Fund (Fund 5450) and consolidates the cost of oversight for the new Banking Law under the existing Banks Fund (Fund 5440). Beginning July 1, 2018, 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.

## Detailed Fiscal Analysis

The bill enacts a new Banking Law governing banks, savings and loan associations, and savings banks under the same statute, repealing statutes governing savings and loans and savings banks. In their place, the bill provides a single "bank" charter under which all three types of financial institutions may operate. As with the other statutes currently in place, the new Banking Law created by the bill will be enforced by the Division of Financial Institutions within the Department of Commerce. The bill is to take effect July 1, 2018.

The bill consolidates the cost of oversight for the new Banking Law under the existing Banks Fund (Fund 5440), repealing the statute 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, 2018, these assessments and other fees will be deposited instead into Fund 5440. In FY 2016, approximately \$2.4 million was deposited into Fund 5450.

The bill makes many other related 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.