

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE
Revised

House Bill 96 (Delegate Wood)

Commerce and Government Matters

Financial Institutions - Task Force to Study Modernization of Credit Union Law

This bill establishes a 15-member Task Force to Study the Modernization of Credit Union Law, staffed by the Division of Financial Regulation, to study: (1) federal law changes since 1934 that affect credit unions; (2) the response to these federal law changes by other states; and (3) current Maryland laws for chartering credit unions. The bill requires the task force to issue an interim report by December 1, 1999 and a final report by December 1, 2001 to the General Assembly of its findings and recommendations, including a draft revision of the Financial Institutions Article relating to credit unions.

The bill takes effect on July 1, 1999 and sunsets on June 30, 2001.

Fiscal Summary

State Effect: None. The Division of Financial Regulation could staff the task force with existing personnel.

Local Effect: None.

Small Business Effect: None.

Fiscal Analysis

State Effect: Based on its experience with last year's Task Force to Study Bank Modernization, the Division of Financial Regulation estimates that it would take approximately 40 days to prepare notices for meetings, keep minutes of the meetings, conduct necessary research, and prepare a final report. The division also advises that it is currently understaffed and could not handle the additional workload with existing resources. Thus, the division contends that it would have to hire a contractual office clerk for 40 days, causing general fund expenditures to increase by approximately \$2,200. Additionally, the division contends that it would need a new computer and various other office equipment,

causing general fund expenditures to increase by \$3,800. In sum, the division advises that it would need an additional \$6,000 to staff the task force.

The Department of Legislative Services (DLS) disagrees with this assessment. The fiscal 1999 appropriation provides funding for 2 contractual positions and 41 permanent positions (including 2 office clerks, 2 office secretaries, 1 office assistant, 1 management associate, 2 administrative officers, 1 administrative specialist, and 1 administrative aid). The fiscal 2000 appropriation provides funding for 2 contractual positions and 55 permanent positions. The 14 new permanent positions in the fiscal 2000 appropriation include 12 examiners and 2 office clerks. Therefore, DLS advises that the division can handle the additional workload with existing budgeted resources.

Information Source: Department of Labor, Licensing, and Regulation; Department of Legislative Services

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