SENATE BILL REPORT

SB 5194

AS OF FEBRUARY 1, 1993

Brief Description: Consolidating a department of financial institutions, securities, and corporate affairs.

SPONSORS: Senators Moore and Amondson

SENATE COMMITTEE ON LABOR & COMMERCE

Staff: Benson Porter (786-7470)

Hearing Dates: February 2, 1993

BACKGROUND:

State-chartered financial institutions are regulated by two separate divisions within the Department of General Administration. The Division of Banking charters, examines, and regulates state-chartered commercial banks, savings banks, trust companies, and alien institutions. In addition, the Division of Banking licenses consumer loan companies and check cashers and sellers. The Division of Savings and Loan charters, examines, and regulates state-chartered credit unions and savings and loan associations. Both divisions maintain their own administrative and examination staff. A recent report by an industry advisory panel to the Department of General Administration recommends the reorganization of these two divisions into a new department.

While financial institution regulation is conducted by the Department of General Administration, the state regulation of securities registrations and professionals is performed by the Securities Division within the Department of Licensing. Lastly, the Secretary of State's office is responsible for receiving corporate filings, such as articles of incorporation and annual reports.

Interest has been expressed in the efficiencies and centralized policy-making that may be realized by combining all of these functions within one department.

SUMMARY:

The Department of Financial Institutions, Securities, and Corporate Affairs is created.

The department is comprised of the following four divisions: a Division of Banking, a Division of Credit Unions, a Division of Securities, and a Division of Corporations. The supervisory authority is vested with the head of each division. The powers, duties, records, and funding of all predecessor agencies are transferred to the new department.

A non-appropriated account is created to fund the Division of Securities. The account receives 13 percent of all receipts from the Division of Securities with the remaining receipts to be deposited into the state's general fund.

Appropriation: none

Revenue: none

Fiscal Note: requested