

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

H

2

HOUSE BILL 271*
Committee Substitute Favorable 6/14/93

Short Title: GPAC/Banking Rec.

(Public)

Sponsors:

Referred to:

February 25, 1993

1 AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT
2 PERFORMANCE AUDIT COMMITTEE TO CREATE THE FINANCIAL
3 INSTITUTIONS REGULATORY AGENCIES STUDY COMMISSION.

4 Whereas, multiple State agencies and commissions currently exercise
5 regulatory authority over various financial institutions and over businesses that are
6 closely related to those institutions; and

7 Whereas, three entities regulate financial institutions in the Department of
8 Commerce, to wit: the Banking Commission, the Credit Union Division, and the
9 Savings Institutions Division; and

10 Whereas, changes in federal regulations, market competition, and industry
11 consolidation have blurred the distinctions between banks, savings and loans, savings
12 banks, and credit unions, and these organizations serve many of the same markets; and

13 Whereas, the Commissioner of Banks has suggested that savings could be
14 achieved through economies of scale and improved efficiency if the regulatory agencies
15 were merged; Now, therefore,

16 The General Assembly of North Carolina enacts:

17 Section 1. The Financial Institutions Regulatory Agencies Study
18 Commission is created. The Commission shall consist of 15 members. Five members
19 shall be appointed by the Speaker of the House of Representatives, three of whom shall
20 be members of the House of Representatives at the time of their appointment. The
21 Speaker of the House of Representatives shall also appoint one member representing the
22 nondepository consumer finance industry, and one member representing the borrowing

1 public. Five members shall be appointed by the President Pro Tempore of the Senate,
2 three of whom shall be members of the Senate at the time of their appointment. The
3 President Pro Tempore of the Senate shall also appoint one member representing the
4 mortgage lending industry and one member representing the borrowing public. Five
5 members shall be appointed by the Governor, one representative from each of the
6 following three industries: commercial banking, credit unions, and savings institutions,
7 and one member selected primarily as a representative of the borrowing public.

8 Sec. 2. The Speaker of the House of Representatives shall designate one
9 Representative as cochair and the President Pro Tempore of the Senate shall designate
10 one Senator as cochair.

11 Sec. 3. The Commission shall conduct a comprehensive study of the
12 organization of the State's agencies that regulate financial institutions, and shall report
13 its findings and recommendations regarding the feasibility of creating a Department of
14 Financial Institutions to the 1995 General Assembly, and may make an interim report to
15 the 1993 General Assembly, 1994 Regular Session. The study shall include
16 consideration of the following issues:

- 17 (1) Whether the three regulatory boards should be merged or whether
18 they should be retained in a separate Department of Financial
19 Institutions;
- 20 (2) The extent to which savings or other benefits could be achieved by the
21 merger of the three regulatory agencies; and
- 22 (3) The impact upon the various industries currently regulated by the three
23 separate agencies, if the agencies were merged.

24 Sec. 4. The Commission, while in the discharge of official duties, may
25 exercise all powers provided for under the provisions of G.S. 120-19 through G.S. 120-
26 19.4. The Commission may meet at any time upon the joint call of the cochairs.

27 Sec. 5. The Legislative Services Commission, through the Legislative
28 Administrative Officer, shall assign professional staff to assist in the work of the
29 Commission. The House of Representatives' and the Senate's Supervisors of Clerks
30 shall assign clerical staff to the Commission, upon the direction of the Legislative
31 Services Commission. The expenses relating to clerical employees shall be borne by
32 the Commission.

33 Sec. 6. When a vacancy occurs in the membership of the Commission, the
34 vacancy shall be filled by the same appointing officer who made the initial appointment.

35 Sec. 7. Members of the Commission who are also members of the General
36 Assembly shall receive subsistence and travel expenses at the rates set forth in G.S. 120-
37 3.1.

38 Sec. 8. There is appropriated from the General Fund to the General
39 Assembly the sum of twenty-five thousand dollars (\$25,000) for the 1993-94 fiscal year
40 for the expenses of the Financial Institutions Regulatory Agencies Study Commission.

41 Sec. 9. This act is effective upon ratification.