

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1037

Short Title: Depository Institutions Study.

(Public)

Sponsors: Senator Staton.

Referred to: Rules.

April 27, 1989

A BILL TO BE ENTITLED

1 AN ACT TO CREATE THE DEPOSITORY INSTITUTIONS STUDY
2 COMMISSION.
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4 Whereas, North Carolina has overall experienced financially sound
5 depository institutions benefiting greatly the people of this State; and

6 Whereas, nationally there has been an increased number of depository
7 institution failures, prompting the federal government to restructure the entire
8 depository insurance mechanism and the regulations applicable thereto; and

9 Whereas, North Carolina savings and other depository institutions may
10 potentially be negatively impacted by the number of depository institution failures
11 nationally; and

12 Whereas, the degree of consolidation and change within the federal
13 regulatory agencies and their ultimate and immediate effect upon North Carolina
14 depository institutions cannot be known at this time; and

15 Whereas, some proposed actions by Congress would as a practical matter
16 require study of North Carolina financial regulatory agencies and their assigned
17 functions; and

18 Whereas, it is the intention of the legislature to encourage and foster the safe
19 and sound development of all of its depository institutions and to protect this State from
20 the financial loss and adversity suffered by other regions in the United States; Now,
21 therefore,

22 The General Assembly of North Carolina enacts:

23 Section 1. The North Carolina Depository Institutions Study Commission is
24 hereby created. The Commission shall consist of 18 members: five Senators appointed

1 by the President of the Senate; five Representatives appointed by the Speaker of the
2 House; one representative of the North Carolina commercial banking industry appointed
3 by the President of the Senate; one representative of the North Carolina savings
4 institution industry appointed by the Speaker of the House; one representative of the
5 credit union industry appointed by the President Pro Tempore of the Senate; one
6 representative of the small and minority business community appointed by the Speaker
7 of the House; and one representative of the low-income consumer community appointed
8 by the President of the Senate. The North Carolina Commissioner of Banks, the
9 Administrators of the Savings and Loan and Credit Union Divisions of the North
10 Carolina Department of Commerce shall serve as ex officio nonvoting members. All
11 initial appointments shall be filled in the same manner as initial appointments.

12 Sec. 2. The President of the Senate shall designate one Senator as
13 cochairman and the Speaker of the House of Representatives shall designate one
14 Representative as cochairman. The cochairmen shall call the initial meeting of the
15 Commission.

16 Sec. 3. The Commission shall study the impact of national developments
17 within the depository institutions industry and what effect, if any, these developments
18 will have upon North Carolina depository institutions. The scope of the study shall
19 include, but not be limited to:

- 20 (1) The effect on North Carolina depository institutions, if any, resulting
21 from action by the federal government to restructure the Federal
22 Savings and Loan Insurance Corporation;
- 23 (2) The effect on North Carolina depository institutions, if any, resulting
24 from any increased authority which may be granted to the Federal
25 Deposit Insurance Corporation;
- 26 (3) The effect on the North Carolina public, if any, if savings institutions
27 were permitted to convert into commercial banks and commercial
28 banks allowed to convert into savings institutions;
- 29 (4) The level of competition between financial institutions in North
30 Carolina;
- 31 (5) The cost and availability of financial services available through North
32 Carolina financial institutions; and
- 33 (6) The desirability, if any, of consolidating North Carolina financial
34 institution regulatory agencies into a single agency.

35 Sec. 4. The Commission shall submit a final report of its findings and
36 recommendations to the General Assembly on or before the first day of the 1990
37 Session of the General Assembly by the filing of a report with the President of the
38 Senate and the Speaker of the House of Representatives. Upon filing its final report, the
39 Commission shall terminate. The report of the Commission shall summarize the
40 information obtained in the course of its inquiry, set forth any findings and conclusions,
41 and recommend such administrative actions or legislative actions that may be necessary.
42 If legislation is recommended, the Commission shall prepare and submit with its report
43 appropriate bills.

1 Sec. 5. With prior approval of the Legislative Services Commission,
2 necessary professional and clerical assistance shall be provided by the Legislative
3 Services Office. The Commission may hold its meetings in legislative buildings with
4 the prior approval from the Legislative Services Commission. The Commission may
5 also enter into contracts for the provision of technical assistance it finds necessary for
6 the performance of its responsibilities under this Part.

7 Sec. 6. Members of the Commission who are also members of the General
8 Assembly shall be paid subsistence and travel expenses at the rate set forth in G.S. 120-
9 3.1. Members of the Commission who are officials or employees of the State shall
10 receive travel allowances at the rate set forth in G.S. 138-6. All other members of the
11 Commission shall be paid the per diem and allowance at the rate set forth in G.S. 138-5.

12 Sec. 7. There is appropriated from the General Fund to the Legislative
13 Services Commission for the Depository Institutions Study Commission \$25,000 for
14 fiscal year 1989-90. The Legislative Services Commission may allocate to the
15 Commission additional funds necessary to enable the Commission to complete its study.

16 Sec. 8. This act shall become effective July 1, 1989.