FIRST REGULAR SESSION

[PERFECTED]

HOUSE COMMITTEE SUBSTITUTE FOR

HOUSE BILL NO. 379

93RD GENERAL ASSEMBLY

Reported from the Committee on Financial Institutions February 23, 2005, with recommendation that House Committee Substitute for House Bill No. 379 Do Pass by Consent. Referred to the Committee on Rules pursuant to Rule 25(26)(f).

Reported from the Committee on Rules February 28, 2005, with recommendation that House Committee Substitute for House Bill No. 379 Do Pass by Consent with no time limit for debate.

Perfected by Consent March 8, 2005.

STEPHEN S. DAVIS, Chief Clerk

1232L.02P

AN ACT

To repeal sections 36.031, 361.170, and 370.107, RSMo, and to enact in lieu thereof three new sections relating to compensation for financial institution regulators.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 36.031, 361.170, and 370.107, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 36.031, 361.170, and 370.107, to read as follows:

36.031. Any provision of law to the contrary notwithstanding, except for the elective offices, institutions of higher learning, the department of transportation, the department of conservation, those positions in the Missouri state highway patrol the compensation of which is established by subdivision (2) of subsection 2 of section 43.030, RSMo, and section 43.080, RSMo, **those positions in the division of finance and the division of credit unions compensated through a dedicated fund obtained from assessments and license fees under sections 361.170 and 370.107, RSMo,** and those positions for which the constitution specifically provides the method of selection, classification, or compensation, and the positions specified in subsection 1 of section 36.030, but including attorneys, those departments, agencies and positions of the executive branch of state government which have not been subject to these

EXPLANATION — Matter enclosed in bold-faced brackets **[**thus**]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

provisions of the state personnel law shall be subject to the provisions of sections 36.100, 36.110, 36.120 and 36.130, and the regulations adopted pursuant to sections 36.100, 36.110, 36.120 and 36.130 which relate to the preparation, adoption and maintenance of a position classification plan, the establishment and allocation of positions within the classification plan and the use of appropriate class titles in official records, vouchers, payrolls and communications. Any provision of law which confers upon any official or agency subject to the provisions of this section the authority to appoint, classify or establish compensation for employees shall mean the exercise of such authority subject to the provisions of this section. This section shall not extend coverage of any section of this chapter, except those specifically named in this section, to any agency or employee. In accordance with sections 36.100, 36.110, 36.120 and 36.130, and after consultation with appointing authorities, the director of the division of personnel shall conduct such job studies and job reviews and establish such additional new and revised job classes as the director finds necessary for appropriate classification of the positions involved. Such classifications and the allocation of positions to classes shall be maintained on a current basis by the division of personnel. The director of the division of personnel shall, at the same time, notify all affected agencies of the appropriate assignment of each job classification to one of the salary ranges within the pay plan then applicable to merit system agencies. The affected agencies and employees in the classifications set pursuant to this section shall be subject to the pay plan and rates of compensation established and administered in accordance with the provisions of this section, and the regulations adopted pursuant to this section, on the same basis as for merit agency employees. In addition, any elected official, institution of higher learning, the department of transportation, the department of conservation, the general assembly, or any judge who is the chief administrative officer of the judicial branch of state government may request the division of personnel to study salaries within the requestor's office, department or branch of state government for classification purposes.

361.170. 1. The expense of every regular and every special examination, together with the expense of administering the banking laws, including salaries, travel expenses, supplies and equipment, and including the direct and indirect expenses for rent and other supporting services furnished by the state, shall be paid by the banks and trust companies of the state, and for this purpose the director shall, prior to the beginning of each fiscal year, make an estimate of the expenses to be incurred by the division during such fiscal year. To this there shall be added an amount **[**equal to**] not to exceed** fifteen percent of the estimated expenses to pay the costs of rent and other supporting services such as the costs related to the division's services from the state auditor and attorney general and an amount sufficient to cover the cost of fringe benefits furnished by the state. From this total amount the director shall deduct the estimated amount of the anticipated annual income to the fund from all sources other than bank or trust company assessments. The director shall allocate and assess the remainder to the several banks and trust companies in the state on the basis of a weighted formula to be established by the director, which will take into consideration their total assets, as reflected in the last preceding report called for by the director pursuant to the provisions of section 361.130 or from information obtained pursuant to subsection 3 of section 361.130 and, for trust companies which do not take deposits or make loans, the volume of their trust business, and the relative cost, in salaries and expenses, of examining banks and trust companies of various size and this calculation shall result in an assessment for each bank and trust company which reasonably represents the costs of the division of finance incurred with respect to such bank or trust company. A statement of such assessment shall be sent by the director to each bank and trust company on or before July first. One-half of the amount so assessed to each bank or trust company shall be paid by it to the state director of the department of revenue on or before July fifteenth, and the remainder shall be paid on or before January fifteenth of the next year.

2. Any expenses incurred or services performed on account of any bank, trust company or other corporation subject to the provisions of this chapter, outside of the normal expense of any annual or special examination, shall be charged to and paid by the corporation for whom they were incurred or performed. **Fees and charges to other corporations subject to this chapter shall be reviewed at least annually by the division of finance to determine whether regulatory costs are offset by the fees and charges and the director of the division of finance shall revise fees and charges to fully recover such costs to the extent allowed by law or recommend to the general assembly necessary statutory changes to fully recover such costs.**

3. **The director of the division of finance shall prepare and maintain an equitable salary schedule for examiners, professional staff, and support personnel that are employees of the division. Personnel employed by the division shall be compensated according to the following schedule, provided that such expense of administering the banking laws is assessed and paid in accordance with this section. The positions and classification plan for such personnel attributed to the examination of the state bank and trust companies shall allow for a comparison of such positions with similar bank examiner positions at federal bank regulatory agencies. State bank examiner positions shall not be compensated at more than ninety percent of parity for corresponding federal positions for similar geographic locations in the state as determined by the director of the division of finance.**

4. The state treasurer shall credit such payments to a special fund to be known as the "Division of Finance Fund", which is hereby created and which shall be devoted solely to the payment of expenditures actually incurred by the division and attributable to the regulation of banks, trust companies, and other corporations subject to the jurisdiction of the division. Any amount, other than the **amount not to exceed** fifteen percent for supporting services and the amount of fringe benefits described in subsection 1 of this section, remaining in such fund at the end of any fiscal year **[**up to five percent of the amount assessed to the banks and trust companies pursuant to subsection 1 of this section**] and any earnings attributed to such fund** shall not be transferred and placed to the credit of the general revenue fund as provided in section 33.080, RSMo, but shall be applicable by appropriation of the general assembly to the payment of such expenditures of the division in the succeeding fiscal year and shall be applied by the division to the reduction of the amount to be assessed to banks and trust companies in such succeeding fiscal year; provided the **amount not to exceed** fifteen percent for supporting services and the amount of fringe benefits described in subsection 1 of this section **[**and any amount remaining in the division of finance fund at the end of the fiscal year which exceeds five percent of the amount assessed to the banks and trust companies pursuant to subsection 1 of this section**]** shall be returned to general revenue **to the extent supporting services are not directly allocated to the fund**.

370.107. 1. Every credit union organized pursuant to section 370.010 and operating pursuant to the laws of this state shall pay to the department of revenue a fee determined by the director based on the total assets of the credit union as of December thirty-first of the preceding fiscal year. One-half of the fee shall be paid on or before July fifteenth, and the balance shall be paid on or before January fifteenth of the next succeeding year. The maximum fee shall be calculated according to the following table:

Total Assets	Fee
Under $2,000,000	$0.125 per $1,000 of assets up to a maximum of $250
$2,000,000 or more but less than $5,000,000	$250, plus $1 per $1,000 of assets in excess of $2,000,000
$5,000,000 or more but less than $10,000,000	$3,250, plus $0.35 per $1,000 of assets in excess of $5,000,000

$10,000,000 or more but less than $25,000,000	$5,000, plus $0.20 per $1,000 of assets in excess of $10,000,000
$25,000,000 or more	$8,000, plus $0.15 per $1,000 of assets in excess of $25,000,000.

The shares of one credit union which are owned by another credit union shall be excluded from the assets of the first credit union for the purpose of computing the supervisory fee levied pursuant to this section. All fees assessed shall be accounted for as prepaid expenses on the books of the credit union.

2. The state treasurer shall credit such payments, including all fees and charges made pursuant to this chapter to a special fund to be known as the "Division of Credit Unions Fund", which is hereby created and which shall be devoted solely and exclusively to the payment of expenditures actually incurred by the division and attributable to the regulation of credit unions. Any amount remaining in such fund at the end of any fiscal year **and any earnings attributed to such fund** shall not be transferred and placed to the credit of the general revenue fund as provided in section 33.080, RSMo, but shall be used, upon appropriation by the general assembly, for the payment of such expenditures of the division in the succeeding fiscal year and shall be applied by the division to the reduction of the amount to be assessed to credit unions in such succeeding fiscal year. In the event two or more credit unions are merged or consolidated, such excess amounts shall be credited to the surviving or new credit union.

3. The expense of every regular and every special examination, together with the expenses of administering the laws pertaining to credit unions, including salaries, travel expenses, supplies and equipment, credit union commission expenses of administrative and clerical assistance, legal costs and any other reasonable expense in the performance of its duties, and an amount not to exceed fifteen percent of the above-estimated expenses to pay the actual costs of rent, utilities, other occupancy expenses and other supporting services furnished by any department, division or executive office of this state and an amount sufficient to cover the cost of fringe benefits shall be paid by the credit unions of this state by the payment of fees yielded by this section.

4. The director of the division of credit unions shall prepare and maintain an equitable salary schedule for examiners, professional staff, and support personnel that are employees of the division. Personnel employed by the division shall be compensated

according to the following schedule, provided that such expense of administering the credit union laws is assessed and paid in accordance with this section. The positions and classification plan for such personnel attributed to the examination of the state credit unions shall allow for a comparison of such positions with similar examiner positions at federal credit union regulatory agencies. State credit union examiner positions shall not be compensated at more than ninety percent parity for corresponding federal positions for similar geographic locations in the state as determined by the director of the division of credit unions.