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## FISCAL IMPACT REPORT

**SPONSOR** Lundstrum      **DATE TYPED** 02/02/05      **HB** 68

**SHORT TITLE** Fees for Bank Accounts of Certain Minors      **SB** \_\_\_\_\_

**ANALYST** McSherry

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
NFI	NFI	Indeterminate	Recurring	General Fund

(Parenthesis ( ) Indicate Revenue Decreases)

### SOURCES OF INFORMATION

LFC Files  
Regulations and Licensing Department

### SUMMARY

#### Synopsis of Bill

House Bill 68 proposes a limit on the amount of fees that would be assessed by banks and credit unions on a savings account held by a minor under the age of fourteen years to twelve dollars (\$12.00) per year. In addition, federal associations would be limited to the same twelve-dollar (\$12.00) fee on a savings account held by a minor who is under the age of fourteen years.

#### Significant Issues

The Regulations and Licensing Department (RLD) asserts that preemption under federal law would not allow a limit on fees assessed on the products and services offered by a federally-chartered-institution. RLD points out that the director of the Financial Institutions Division (FID) in the State of New Mexico has no regulatory authority over federal chartered institutions and would not be able to enforce the proposed amendment.

### PERFORMANCE IMPLICATIONS

FID states that the proposed statute would limit the income earned by New Mexico financial institutions and could potentially undermine the ability of NM financial institutions to compete with federal associations.

**FISCAL IMPLICATIONS**

There is not an appropriation associated with HB 68. According to RLD, NM banks could incur a reduction in revenues should the bill be enacted.

**ADMINISTRATIVE IMPLICATIONS**

See significant issues.

**TECHNICAL ISSUES**

HB 68 proposes to regulate federal institutions.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL?**

RLD relates that if this bill is not enacted, there will remain parity between state and federally chartered institutions, and there will be no limit on the amount charges for service to minors by financial institutions.

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