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FISCAL IMPACT REPORT

SPONSOR Cook ORIGINAL DATE 02/23/17
LAST UPDATED _____ HB 361
SHORT TITLE Resident Directors of NM Banks SB _____
ANALYST Amacher

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

| | FY17 | FY18 | FY19 | 3 Year Total Cost | Recurring or Nonrecurring | Fund Affected |
|--------------|------|------|------|----------------------|------------------------------|------------------|
| Total | | NFI | NFI | NFI | | |

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Office of the Attorney General (OAG)
Regulation & Licensing Department (RLD)

SUMMARY

Synopsis of Bill

House Bill 361 amends the New Mexico Banking Act (Chapter 58-1-65(A) NMSA 1978) by removing the requirement that at least two-thirds of the membership of the board of directors of all New Mexico state chartered banks residents of New Mexico. As proposed, this bill requires a minimum of one director be a resident of the state. If enacted, this bill becomes effective on June 16, 2017.

FISCAL IMPLICATIONS

There are no known fiscal impacts.

SIGNIFICANT ISSUES

House Bill 361 amends the New Mexico Banking Act (Chapter 58-1-65(A) NMSA 1978) by removing the requirement that at least two-thirds of the membership of the board of directors of all New Mexico state chartered banks residents of New Mexico. As proposed, this bill requires a minimum of one director be a resident of the state.

The state currently requires a minimum of two-thirds of the total number of directors be state residents, of which cannot be less than three (3) nor more than twenty-five (25).

OTHER SUBSTANTIVE ISSUES

The Office of the Attorney General notes there are at least two other statutes governing residency of directors that do not require any of the directors be state residents: the Nonprofit Corporations-Board of directors (Chapter 53-8-17 NMSA 1978) and Business Corporations-Board of directors (Chapter 53-11-35 NMSA 1978).

JMA/al/jle