

Government of the District of Columbia
Office of the Chief Financial Officer



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer

DATE: JUN 22 2007

SUBJECT: Fiscal Impact Statement: "Bank Charter Modernization Amendment Act of 2007"

REFERENCE: Bill Number 17-166 as Introduced

Conclusion

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. The proposed legislation is not expected to result in a negative fiscal impact.

Background

The proposed legislation would amend multiple sections of Title 26 of the D.C. Official Code ("Banks and Other Financial Institutions") to change the license application procedures for international and interstate banks operating in the District. In general, the proposed legislation would authorize the Commissioner ("Commissioner") of the Department of Insurance, Securities, and Banking (DISB) to approve license applications and would remove the Council's approval authority. Under current law, the Commissioner is limited to making a recommendation to Council for the approval of an application.

Specifically, the proposed legislation would:

- Remove the requirement for Council review of bank license applications in the District (D.C. Official Code § 26-636(d));

- Authorize the Commissioner to approve or disapprove applications by international or interstate banks or financial institutions to become licensed and operate in the District (D.C. Official Code § 26-704); and
- Require the Commissioner to submit to the District Council a quarterly report of any applications filed or decisions reached regarding licensing and an annual report of all actions taken by the Commissioner regarding licensing (D.C. Official Code § 26-704).

Financial Plan Impact

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation. Because the primary purpose of the legislation is to streamline the bank charter process by shifting license authority from the Council and DISB to the Commissioner of DISB, it is not anticipated that the proposed legislation will have a fiscal impact.