

CORRECTIONS IMPACT STATEMENT

SESSION: 24RS BILL #: HB 726

GA.

BR #: 47

BILL SPONSOR(S): Rep. M. Meredith

AMENDMENT SPONSOR(S):

TITLE: AN ACT relating to the regulation of financial institutions.

SUMMARY OF LEGISLATION: Amend various sections of Subtitles 1, 2, and 3 of KRS Chapter 286, the financial services code, to consolidate statutes; make technical corrections; make numerous revisions to the require banking experience of the financial institutions commissioner; the Financial Institutions Board; prohibited practices of financial institution examiners; application of chapter to national bank or federal savings association operating subsidiaries; examination of safe deposit boxes; transaction of business by foreign financial institutions; banking definitions; the transaction of banking or trust business in this state; state bank and trust company charter requirements; national bank parity authorizations; state bank investment powers; amend KRS 286.3-095 to require reporting for changes in control of bank holding companies that own a state bank; amend KRS 286.3-145 to modify the requirements for state trust companies doing business outside of Kentucky; amend KRS 286.3-146 to modify the requirements for out-of-state trust companies to do business in Kentucky; amend KRS 286.3-690 to permit the commissioner to remove a bank employee from office; amend various Subtitle 3 of KRS Chapter 286 relating to the definition of a receivership court for an insolvent bank; national bank to state bank conversions; state bank branching powers; bank holidays; pledges of bank assets; bank dividends, bank acquisitions, bank concentration limits; interstate merger transactions; out-of-state bank powers; and banking code penalties; create new sections of Subtitle's 2 and 3 of KRS Chapter 286 to establish rules of application and interpretation, and establish regulatory authority of the commissioner; amend various sections to conform; repeal various sections within Subtitles 1, 2, and 3 of KRS Chapter 286 relating to financial institution commissioner appointments, improperly influencing real estate appraisals, financial institution definitions, foreign financial institutions, banking business powers; bank officers and directors; capital requirements for banks and trust companies; bank branch requirements; installment loans, educational loans to minors, and revolving credit plans; repeal Subtitle 5 of KRS Chapter 286, relating to the chartering and regulation of state savings and loan associations, except provision relating to transacting of business by out-of-state savings and loan associations; repeal Subtitles 7 and 10 of KRS Chapter 286, relating to the licensing and regulation of industrial loan corporations and title pledge lending; repeal KRS 365.205, relating to printing requirements for personal checks; provide for the initial and staggered appointments to the Financial Institutions Board.

AMENDMENT:

This bill amendment committee substitute is expected to:

Have the following Corrections impact

- Creates new crime(s)
- Increases penalty for existing crime(s)
- Increases incarceration
- Reduces inmate/offender services
- Increases staff time or positions
- Changes elements of the offense for existing crime(s)
- Otherwise impacts incarceration (Explain):

Have no Corrections impact.

- Repeals existing crime(s)
- Decreases penalty for existing crime(s)
- Decreases incarceration.
- Increases inmate/offender services.
- Reduces staff time or positions.

STATE IMPACT: Class A, B, & C felonies are based on an average daily prison rate of \$116.93. Community Custody Class C and most Class D felons are housed in one of seventy-four (74) full-service or regional jails for up to five (5) years. Department of Corrections cost to incarcerate a felony inmate in jail is \$44.97 per day, which includes \$35.34 per diem, medical costs, and central office administrative costs (substance abuse treatment not included).*

Projected Impact: NONE MINIMAL to MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

This legislation would have no impact on operations at the state level.

LOCAL IMPACT: Local governments are responsible for the cost of incarcerating individuals charged with Class A or B misdemeanors and felony defendants until the disposition of the case. The estimated impact will be based on the \$44.97 cost to incarcerate for the Department of Corrections, including \$35.34 per diem and medical that DOC pays jails to house felony offenders. This cost to incarcerate may not be the actual housing cost for the jail.*

Projected Impact: NONE MINIMAL to MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

This legislation repeals misdemeanor offenses under the Kentucky Financial Code. There are currently no inmates in custody or offenders on supervision on for these offenses.

PROJECTED IMPACT FROM AMENDMENTS: NONE MINIMAL to MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

**All projections are based on the daily rate x 365 days x number of years. The cost to incarcerate as calculated by the Department is shown here as rounded to the hundredths. Offenders may have multiple offenses or be incarcerated on other charges unless otherwise noted. Unless otherwise noted, numbers will include inchoate offenses at the underlying offense level.*

The following offices contributed to this Corrections Impact Statement:

Dept. of Corrections Dept. of Kentucky State Police Administrative Office of the Courts Parole Board Other

NOTE: Consideration should be given to the cumulative impact of all bills that increase the felon population, lengthen the term of incarceration, or impose new obligations on state or local governments.

APPROVED BY:



Chief of Staff, Kentucky Department of Corrections

3/7/2024

Date