

STATE OF NEVADA



BRIAN SANDOVAL
Governor

DEPARTMENT OF BUSINESS AND INDUSTRY

BRUCE BRESLOW
Director

FINANCIAL INSTITUTIONS DIVISION

GEORGE E. BURNS
Commissioner

May 20, 2016

Request for Information from Small Businesses

Proposed Amendments to NAC 604A, 649, 658, 669, 671, 673, 675, 676A, 677, and NAC 678

To Whom It May Concern:

The Nevada Financial Institutions Division (NFID) is contacting all depository, fiduciary, and non-depository licensees regulated by NFID to request information to prepare a Small Business Impact (SBI) statement on the proposed regulation amendments to Nevada Administrative Code pursuant to NAC 604A, 649, 658, 669, 671, 673, 675, 676A, 677, and 678. The proposed amendments revise the hourly fees paid by banks and other financial institutions to the Commissioner of Financial Institutions; revise the method of calculation of an annual fee collected by the Commissioner from certain depository institutions; and providing other matters properly relating thereto. Existing law authorizes the Commissioner of Financial Institutions to adopt such regulations as may be necessary to carry out the provisions of all Nevada Revised Statutes (NRS) relating to all depository, fiduciary, and non-depository licensees.

The purpose of the Depository Assessment and Non-Depository Examination Fee are to fund the statutory mandated operations of the Financial Institutions Division (FID).

- ❖ The **Depository Assessment** applies to banks, credit unions, thrifts and savings & loans. It is established by consistent regulation for each depository institution type.
 - The Depository Assessment is calculated as of June of each year based upon the number of depository institutions and asset size of each as of December 31st of the previous year.
 - The Depository Assessment is based on the annual expense budget approved by the Legislature for the FID minus all other revenues collected by the Division, not including reserves. Each depository institution pays a share of that amount as determined by the asset size schedule established in regulation.
- ❖ The **Non-Depository Examination Fee** applies to retail and family trust companies, 604A lenders, collection agencies, money transmitters, installment lenders, uniform debt managers and paid professional guardians. It is established by regulation for each non-depository company type.

LAS VEGAS
Office of the Commissioner
2785 E. Desert Inn Road, Suite 180
Las Vegas, NV 89121
(702) 486-4120 Fax (702) 486-4563

NORTHERN NEVADA
Examination & CPA Office
1755 East Plumb Lane, Ste 243
Reno, NV 89502
(775) 688-1730 Fax (775) 688-1735
Web Address: <http://fid.state.nv.us>

CARSON CITY
Licensing Office
1830 College Parkway, Suite 100
Carson City, NV 89706
(775) 684-2970 Fax (775) 684-2977

The equitable amount of the Depository Assessment and the Non-Depository Examination Fee should be determined by the proportional utilization of FID resources relative to the Division’s annual expenditure budget approved by the Legislature. An analysis for that determination based on 2016 data is detailed below:

LICENSEE TYPE	TOTAL FTE EXAM HOURS	% OF TOTAL EXAM HRS
Depository Institutions	9829	28.5%
Non-Depository Companies	24,539	71.5%
TOTALS	34,368	100%

EXAMINATION FEE PER HOUR CALCULATION	
FID Approved Expenditure Budget FY17 (2016)	6,426,744
- Reserves	2,761,195
- Other Revenue (<i>Application Fees, Renewal Fees, etc.</i>)	538,632
- AG Assessment (<i>Assessed Separately by Statute</i>)	285,661
Net FID Approved Expenditures	2,841,256
Per Hour Exam Fee (Net Expenditures / Total Exam Hours)	82.67

In order to equitably proportion the Depository Assessment and the Non-Depository Examination Fee based on utilization of FID resources, it is being proposed to revise all applicable regulations to reflect a per hour examination fee of \$75.00.

The first step in the rulemaking process is to consider the impact of the regulation on small businesses and, if necessary, consult with small business owners and prepare a SBI statement. Before conducting a regulatory workshop with all interested parties on the proposed regulation, NFID must “make a concerted effort to” determine whether the regulation is likely to “impose a direct and significant economic burden upon a small business” or “directly restrict the formation, operation or expansion of a small business (NRS 233B.0608 (1))”.

This e-mail will serve as a request pursuant to NRS 233B.0608 for comment on whether the proposed regulation amendments have any direct and significant economic burden upon small business (defined as fewer than 150 employees) who are engaged in the businesses regulated by the aforementioned regulations . **Please complete the attached questionnaire and send it to the Financial Institutions Division at 2785 E. Desert Inn Road, Suite 180, Las Vegas, Nevada 89121, or E-mail to FIDmaster@fid.state.nv.us, or Fax to (702) 486-4563 on or before June 3, 2016.** A regulatory workshop will be scheduled in the near future and affected businesses and interested parties will be notified of the exact date, time, and location of the workshop.

Sincerely,

Leonard J. Esterly Jr.
Deputy Commissioner



Attachment 1: Copy of LCB File No. R054-16P (PDF)
Attachment 2: Small Business Impact Questionnaire (Word Doc)

cc: George E. Burns – NFID Commissioner