

FISCAL NOTE

The fiscal impact to the judicial system is indeterminable due to an unknown number of cases.

The fiscal impact to the State Treasurer's Office (STO) is indeterminable. The legislation would create the Special Purpose Depository Institution Resolution Fund account. An unknown portion of the supervisory fees paid would be deposited into the account, to be used by the State Banking Commissioner in the event of an involuntary dissolution of a special purpose depository institution. The amount to be deposited shall be established by rules promulgated by the Commissioner. The STO shall invest funds within the account, but it is not known how much will be deposited to the account in any fiscal year.

Assumptions:

The STO projects yields in fiscal year 2027 through fiscal year 2029 to be 2.54%, 2.53%, and 2.55% respectively for permanent funds, and 3.52%, 3.62%, and 3.77%, respectively for State Agency Pool funds.

Yield is defined as the interest and dividend income from the investment. Over the long term, total returns for permanent funds are expected to be 6.75%, while total returns for State Agency Pool funds are expected to be 3.50%. This is in accordance with the State's Investment Policy. Total return is defined as growth in the value of the investment, including both yield and realized and unrealized gains.

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