

BEFORE THE DEPARTMENT OF ADMINISTRATION  
OF THE STATE OF MONTANA

In the matter of the amendment of ) NOTICE OF PROPOSED  
ARM 2.59.104 and 2.59.401 pertaining ) AMENDMENT  
to semiannual assessments and )  
supervisory fees for banks and credit ) NO PUBLIC HEARING  
unions ) CONTEMPLATED

TO: All Concerned Persons

1. On October 9, 2021, the Department of Administration proposes to amend the above-stated rules.

2. The Department of Administration will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Department of Administration no later than 5:00 p.m. on September 8, 2021, to advise us of the nature of the accommodation that you need. Please contact Heather Hardman, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; telephone (406) 841-2922; TDD (406) 841-2974; facsimile (406) 841-2930; or e-mail to [banking@mt.gov](mailto:banking@mt.gov).

3. The rules proposed to be amended are as follows, new matter underlined, deleted matter interlined:

2.59.104 SEMIANNUAL ASSESSMENT (1) through (5) remain the same.  
(6) ~~The assessment billed in December 2020 and collected in January 2021 is waived.~~ For the assessment billed in December 2021 and collected in January 2022, calculate the assessment as set forth in (2) and divide by 2. For this period only, the semiannual assessment shall not exceed \$150,000.

AUTH: 32-1-213, 32-1-218, MCA  
IMP: 32-1-213, 32-1-218, MCA

GENERAL STATEMENT OF REASONABLE NECESSITY: The Division of Banking and Financial Institutions (division) is funded through assessment, supervisory, licensing, and examination fees and strives to keep revenues consistent with each program's expenditures. Fees collected from banks and credit unions are currently exceeding division expenditures because there has been growth in the assets financial institutions are holding due to pandemic-related programs. Pursuant to 32-1-213 and 32-3-201, MCA, assessments and supervisory fees must be commensurate with program costs. In matching revenues to expenses, the division anticipates that with the 50% reduction in bank assessments and credit union supervisory fees collected in 2022, the division's revenues will be \$2,062,500 for banks and \$291,000 for credit unions. These amounts are sufficient for the division to run the bank and credit union supervision programs.

The division proposes a one-time reduction for assessments and supervisory fees collected in 2022 which will decrease division revenue by \$784,000. There are 38 state-chartered banks and 10 state-chartered credit unions that would be affected by this proposal. In the future, the division anticipates that the revenues and expenses will equalize, and the assessment and supervisory fees currently set forth in ARM 2.59.104(2) and 2.59.401(2) will be sufficient to run the programs.

2.59.401 CREDIT UNIONS - SUPERVISORY FEE (1) through (3) remain the same.

(4) ~~The assessment billed in December 2020 and collected in January 2021 is waived.~~ For the assessment billed in December 2021 and collected in January 2022, calculate the assessment as set forth in (2) and divide by 2.

AUTH: 32-3-201, MCA

IMP: 32-3-201, MCA

4. Concerned persons may present their data, views, or arguments concerning the proposed actions to Kelly O'Sullivan, Legal Counsel, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; or e-mailed to [banking@mt.gov](mailto:banking@mt.gov). Comments must be received no later than 5:00 p.m., September 24, 2021.

5. If persons who are directly affected by the proposed actions wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to the person listed in 4 above no later than 5:00 p.m., September 8, 2021.

6. If the Division of Banking and Financial Institutions receives requests for a public hearing on the proposed action from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed action; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Ten percent of those directly affected has been determined to be four persons based on the 38 state-chartered banks and 10 state-chartered credit unions.

7. An electronic copy of this proposal notice is available through the department's website at <http://doa.mt.gov/administrativerules>. The department strives to make its online version of the notice conform to the official published version but advises all concerned persons that if a discrepancy exists between the official version and the department's online version, only the official text will be considered. In addition, although the department works to keep its website accessible at all times, concerned persons should be aware that the website may be unavailable during some periods, due to system maintenance or technical problems.

8. The Division of Banking and Financial Institutions maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this division. Persons who wish to have their name added to the mailing list shall make a written request that includes the name, mailing address, and e-mail address of the person to receive notices and specifies that the person wishes to receive notices regarding division rulemaking actions. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written requests may be mailed or delivered to Heather Hardman, Division of Banking and Financial Institutions, 301 S. Park, Ste. 316, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to [banking@mt.gov](mailto:banking@mt.gov); or may be made by completing a request form at any rules hearing held by the department.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. The department has determined that under 2-4-111, MCA, the proposed amendment of the above-stated rules will not significantly and directly impact small businesses.

By: /s/ Misty Ann Giles  
Misty Ann Giles, Director  
Department of Administration

By: /s/ Don Harris  
Don Harris, Rule Reviewer  
Department of Administration

Certified to the Secretary of State August 17, 2021.