

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6793**  
**BILL NUMBER: SB 214**

**NOTE PREPARED:** Dec 19, 2002  
**BILL AMENDED:**

**SUBJECT:** Procurement of Banking Services.

**FIRST AUTHOR:** Sen. Wyss  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**  GENERAL  
 DEDICATED  
 FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides that the Office of the Treasurer of State is the purchasing agency for banking services for the state. It requires the Treasurer of State to use the purchasing power of the state to limit the amount of fees the state pays for banking services. The bill provides that the statute covering purchasing of services applies to the purchasing of banking services for the state.

**Effective Date:** July 1, 2003.

**Explanation of State Expenditures:** State agencies can receive an advance of state funds that can be placed in a checking account in local banks to make certain types of expenditures. The state of Indiana has about 505 special disbursing officer accounts, "SDO", established in local banks totaling \$8 M. The size of the accounts varies.

Size of SDO	#	Size of SDO	#	Size of SDO	#
Under \$500	6	\$3,000-4,000	28	\$20,000-50,000	42
\$500-1,000	20	\$4,000-5,000	8	\$50,000-\$100,000	9
\$1,000-2,000	118	\$5,000-10,000	100	Over \$100,000	10
\$2,000-3,000	77	\$10,000-20,000	87		

The impact depends on the fees the bank charge. Some banks provide free checking to state agencies. The

Treasurer's office would probably incur some additional expense in purchasing banking services. Some additional interest revenue might be earned if the accounts could be swept into an interest-bearing account at night and redistributed the following day.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Treasurer, State Agencies.

**Local Agencies Affected:**

**Information Sources:** Budget Agency Auditors Expenditure Database.

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