

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

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**FISCAL IMPACT STATEMENT**

**LS 7493**

**BILL NUMBER:** SB 429

**NOTE PREPARED:** Feb 9, 2009

**BILL AMENDED:**

**SUBJECT:** Bank Branches in or Near Retail Merchants.

**FIRST AUTHOR:** Sen. Holdman

**BILL STATUS:** 2<sup>nd</sup> Reading - 1<sup>st</sup> House

**FIRST SPONSOR:**

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** The bill prohibits certain financial institutions from establishing a branch on or within 1.5 miles of the premises or property of an affiliate that is a retail merchant.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:** The Department of Financial Institutions (DFI) could incur additional expense, if more investigations occur as a result of complaints of branches within 1.5 miles of an affiliated retail merchant.

**Background-** The Department of Financial Institutions is funded by bank examination fees placed into dedicated funds. The DFI received an appropriation from the General Assembly of \$8.5 M for FY 2009. The DFI generated approximately \$8 M in total revenue during FY 2008. Revenue is placed into the Department of Financial Institutions Fund.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** DFI

**Local Agencies Affected:**

**Information Sources:** State Budget Agency: Auditor's Data; *State of Indiana List of Appropriations Made by the 2007 Indiana General Assembly for the Biennium July 1, 2007, to June 30, 2009.*

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