

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

808 KAR 15:050

Contact Person: Kathryn Adams-Cornett
Title: Staff Attorney
Address: 500 Mero St, 2 SW 19
Frankfort, KY 40601
Phone: 502-782-9065
Fax: 502-573-8787
Email: katie.adams@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation establishes the procedure by which an out-of-state trust company, without a physical location within Kentucky, may file a written notification of their intent to conduct the activities outlined in KRS 286.3-146(1) within Kentucky.

(b) The necessity of this administrative regulation:

This administrative regulation provides guidance as to the notification requirements for out-of-state trust companies that wish to conduct activities outlined in KRS 286.3-146(1) within Kentucky.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 286.3-146(2)(a)2 authorizes the Commissioner to promulgate a regulation to prescribe the form and format of notifications by out-of-state trust companies to conduct the activities outlined in KRS 286.3-146(1) in Kentucky. This regulation describes the required form and format of this notification.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This regulation establishes the process by which out-of-state trust companies, with no physical locations within the state, may notify the Kentucky Department of Financial Institutions (the "Department") of their intent to conduct the activities outlined in KRS 286.3-146(1) within Kentucky. At this time, no notification process exists for such a request. KRS 286.3-146(2)(a)2 contemplates the promulgation of such regulation.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

n/a

(b) The necessity of the amendment to this administrative regulation:

n/a

(c) How the amendment conforms to the content of the authorizing statutes:

n/a

(d) How the amendment will assist in the effective administration of the statutes:

n/a

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

This administrative regulation would impact out-of-state trust companies, without physical locations in Kentucky, that are seeking to conduct the activities outlined in KRS 286.3-146(1)

within Kentucky. The precise number of these companies is unknown as it is dependent on the number of out-of-state trust companies that elect to conduct the activities addressed in KRS 286.3-146(1) in Kentucky. However, all out-of-state trust companies not having a physical location in Kentucky would be eligible.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

This regulation creates a notification process for out-of-state trust companies that wish to conduct activities addressed in KRS 286.3-146(1) in Kentucky. These trust companies will submit a "Notification by Out-of-State Trust Company of Business Activity" as outlined in the regulation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

The cost to the eligible entities is expected to be minimal.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

As a result of compliance, out-of-state trust companies that complete notification requirements will be able to conduct the activities addressed in KRS 286.3-146(1) in Kentucky.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

No or minimal costs anticipated.

(b) On a continuing basis:

No or minimal costs anticipated.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

Current Department resources.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

The Department does not anticipate a need to increase fees or funding to implement this regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

This regulation does not establish any fee, nor does it increase any existing fee.

(9) TIERING: Is tiering applied? (Explain why or why not)

Tiering was not applied. The regulation did not require tiering to be applied to implement.

FISCAL IMPACT STATEMENT

808 KAR 15:050

Contact Person: Kathryn Adams-Cornett

Phone: 502-782-9065

Email: katie.adams@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 286.3-146(2)(a)2 authorizes this regulation.

(2) Identify the promulgating agency and any other affected state units, parts, or divisions:
The Department of Financial Institutions (the "Department").

(a) Estimate the following for the first year:

Expenditures: see statement below

Revenues: see statement below

Cost Savings: see statement below

The effect on overall revenue for the Department will be minimal; this regulation will not have a substantial impact on the Department's budget.

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

The effect on overall revenue for the Department will be minimal; this regulation will not have a substantial impact on the Department's budget.

(3) Identify affected local entities (for example: cities, counties, fire departments, school districts):

This regulation will not impact any local entities.

(a) Estimate the following for the first year:

Expenditures: see statement below

Revenues: see statement below

Cost Savings: see statement below

This regulation will not impact local entities.

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

This regulation will not impact regulated local entities.

(4) Identify additional regulated entities not listed in questions (2) or (3):

This regulation will not impact any additional regulated entities.

(a) Estimate the following for the first year:

Expenditures: see statement below

Revenues: see statement below

Cost Savings: see statement below

This regulation will not impact additional regulated entities.

(b) How will expenditures, revenues, or cost savings differ in subsequent years?

This regulation will not impact any additional regulated entities.

(5) Provide a narrative to explain the:

(a) Fiscal impact of this administrative regulation:

There will be minimal fiscal impact from this regulation on the Department of Financial Institutions and on regulated entities.

(b) Methodology and resources used to determine the fiscal impact:

Requirements put in place by this regulation were examined and found to create negligible financial burden or revenue in regard to the Department of Financial Institutions or regulated entities.

(6) Explain:

(a) Whether this administrative regulation will have an overall negative or adverse major economic impact to the entities identified in questions (2) - (4). (\$500,000 or more, in aggregate)
The amended regulation will not have a major economic impact on the regulated entities or the Department.

(b) The methodology and resources used to reach this conclusion:

Requirements put in place by this regulation were examined and found to create negligible financial burden or revenue in regard to the Department of Financial Institutions or regulated entities.