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PREPARED BY: Phil Hovis
 DATE PREPARED: January 28, 2011
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LB 269

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	66,550	66,550	66,550	66,550
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	66,550	66,550	66,550	66,550

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB269 would amend provisions of the Delayed Deposit Services (DDS) Licensing Act. Under current law, all fees, charges, and costs collected under the Act are credited to the Financial Institution Assessment Cash Fund which is administered by the Department of Banking and Finance (Department). LB269 would provide that (DDS license) application fees, charges and costs collected under the Act would continue to be credited to the Financial Institution Assessment Cash Fund. The bill would increase the rate of the fee for annual renewal of DDS licenses to \$500 and would provide that proceeds of such fees be credited to the Financial Literacy Fund rather than the Financial Institution Assessment Cash Fund. The Financial Literacy Fund is newly created by LB269 and is to be administered by the Department to provide assistance to nonprofit entities that promote opportunities which offer financial literacy programs to K-12 students.

Based upon estimates of 117 DDS main office license renewals and 64 DDS branch office license renewals annually, estimated cash fund impacts as they relate to the Department are estimated as follows:

	DDS License Renewals	Current Rate	Revenue Estimate @ Current Rate	Proposed Rate	Revenue Estimate @ Proposed Rate	Estimated Revenue Increase LB269 vs. Current Law
Main Office	117	\$150	\$17,550	\$500	\$58,500	\$40,950
Branch Office	64	\$100	\$6,400	\$500	\$32,000	\$25,600
	181		\$23,950		\$90,500	\$66,550

Given the provisions of LB269, the DDS license fee rates proposed by the bill are estimated to generate revenue totaling \$90,500 annually. This would represent a \$66,550 increase in cash fund revenue as compared to \$23,950 in estimated DDS license renewal fee revenue under current law. Since all DDS license renewal fee revenue would be credited to the Financial Literacy Fund under LB269, the Department would experience an estimated reduction of \$23,950 of Financial Institution Assessment Cash Fund revenue available to support oversight of DDS licensees. The Department indicates the resultant revenue loss would need to be accommodated with a reduction in the frequency of DDS licensee examinations. Amounts to be annually credited to the Financial Literacy Fund for purposes as provided in LB269 are estimated at \$90,500.

Summary of estimated annual cash fund revenue and expenditure impacts:

	Revenue	Expenditures
Financial Institution Assessment Cash Fund	- 23,950	- 23,950
Financial Literacy Fund	+ 90,500	+ 90,500
TOTAL	66,550	66,550

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE 1/21/11	PHONE 471-2526
COMMENTS			
DEPARTMENT OF BANKING AND FINANCE: Agency's estimate appears to be reasonable.			

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LEGISLATIVE SERVICES

2011

Please complete ALL (5) blanks in the first three lines.

LB⁽¹⁾ 269 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Banking and Finance

Prepared by: ⁽³⁾ Margo Sawyer

Date Prepared: ⁽⁴⁾ 1/19/11

Phone: ⁽⁵⁾ 471-4954

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2011-2012</u>		<u>FY 2012-2013</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	90,000	63,000	90,000	63,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	90,000	63,000	90,000	63,000

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

This bill would generate approximately \$90,000 in revenues per fiscal year for the Financial Literacy Fund. All revenues received for Delayed Deposit Services license renewals would go into the Financial Literacy Fund. This would cause a reduction in revenues in the Financial Institutions Cash fund of approximately \$27,000 per fiscal year. Since the Department will no longer have \$27,000 in annual renewal fees for its operations, the Department would be forced to decrease the frequency which Delayed Deposit Services are examined. Estimates are based on 180 license renewals per year.

The \$90,000 in expenditures is the total amount of revenues, which would be used to provide assistance to nonprofit entities for financial literacy programs.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2011-2012 EXPENDITURES</u>	<u>2012-2013 EXPENDITURES</u>
	<u>11-12</u>	<u>12-13</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			90,000	90,000
Capital improvements.....				
TOTAL.....			90,000	90,000