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PREPARED BY: Phil Hovis  
 DATE PREPARED: February 03, 2012  
 PHONE: 471-0057

**LB 269**

Revision: 01

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised based on amendments adopted through 2/3/2012

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	0	0	62,500	62,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0	62,500	62,500

\*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. The bill would increase the rate of the fee for annual renewal of DDS main office licenses from \$150 to \$500 and would increase the fee for DDS branch office license renewals from \$100 to \$500. The bill would further provide that \$150 of each renewal fee for a main office is to be credited to the Financial Institution Assessment Cash Fund as is the case under current law at the current fee rate. \$350 (the fee rate increase) of each renewal fee for a main office is to be credited to the Financial Literacy Cash Fund which is newly created by LB269. Additionally, the bill would provide that \$100 of each renewal fee for a branch office is to be credited to the Financial Institution Assessment Cash Fund as is the case under current law at the current fee rate. \$400 (the fee rate increase) of each renewal fee for branch office is to be credited to the Financial Literacy Cash Fund. The newly created fund is to be administered by the University of Nebraska and used to provide assistance to nonprofit entities that offer financial literacy programs to K-12 students.

Based upon estimates of 110 DDS main office license renewals and 60 DDS branch office license renewals annually, additional cash fund revenue to annually accrue to the Financial Literacy Cash Fund is 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	110	\$150	\$16,500	\$500	\$55,000	\$38,500
Branch Office	<u>60</u>	\$100	<u>\$6,000</u>	\$500	<u>\$30,000</u>	<u>\$24,000</u>
	170		\$22,500		\$85,000	<u>\$62,500</u>
						↓ Credited to Financial Literacy Cash Fund

DDS licenses are renewed annually on May 1. Given that LB269 includes no emergency clause, increased DDS license renewal fee rates are assumed to become effective May 1, 2013. As such, the estimated increase in annual related fee revenue to accrue to the Financial Literacy Cash Fund is assumed to commence in FY2012-13. Disbursement of amounts accruing to the fund for purposes as provided in LB269 is assumed to commence in 2012-13 as well.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	1/31/12	PHONE	471-2526
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DEPARTMENT OF BANKING & FINANCE: Concur. Agency's estimate of potential revenue to the Financial Literacy Fund appears to be reasonable.  
 UNIVERSITY OF NEBRASKA: No basis to disagree with estimate of impact. There is a known number of entities that the Department of Banking has that could be used to estimate the revenue.

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2012

LEGISLATIVE FISCAL

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**LB<sup>(1)</sup> 269 (AM1597) FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Banking & Finance

Prepared by: <sup>(3)</sup> Margo Sawyer Date Prepared: <sup>(4)</sup> 1/30/12 Phone: <sup>(5)</sup> 471-4954

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	=====	=====	=====	=====

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

This bill has no fiscal impact on the Department of Banking & Finance. However, this bill would generate approximately \$62,500 in revenue per fiscal year for the Financial Literacy Fund administered by the University. Estimates are based on 110 main office license renewals and 60 branch office license renewals per year, based on December 31, 2011 license data. As licenses are renewed annually on May 1, revenues for LB269 would first be collected May 1, 2013.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013 EXPENDITURES	2013-2014 EXPENDITURES
	12-13	13-14		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

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LEGISLATIVE FISCAL

**LB<sup>(1)</sup> AM To LB 269 FISCAL NOTE**  
1597

State Agency OR Political Subdivision Name: <sup>(2)</sup> University of Nebraska

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 27, 2012 Phone: <sup>(5)</sup> 402 472 2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2012-2013</u>		<u>FY 2013-2014</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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

AM 1597 to LB 269 would not increase costs to the University. We are not able to estimate the increased revenue to the Financial Literacy Cash Fund.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2012-2013 EXPENDITURES</u>	<u>2013-2014 EXPENDITURES</u>
	<u>12-13</u>	<u>13-14</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____