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LB 140

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised based on amendments adopted through 3/16/2017

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(25,250)		(30,300)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(25,250)		(30,300)

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

Among its original provisions, LB140 would eliminate existing authorization in Sec. 8-602 (9) for the Department of Banking and Finance to charge a one-time fee of \$50 relating to personal loan registration. The Department estimates the related impact on revenue from the related fee to be minimal.

As the result of the adoption of AM437 to LB140, provisions of LB341 [2017] have been incorporated into LB140.

Current law requires bank executive officers to apply for and obtain a license to act as a bank executive officer from the Department of Banking and Finance. As amended by AM437, LB140 would allow banks to elect for its executive officers to be exempt from the requirement to apply for and obtain executive officer licenses. The Department currently assesses a one-time fee of \$50 for new bank executive officer licenses and a \$15 annual fee for license renewals. The Department indicates that there are currently 2,268 active executive office license holders and the agency receives approximately 300 requests annually for new bank executive officer licenses. 2,268 active executive license holders generate \$34,020 annually in cash fund revenue at the \$15 license renewal rate. 300 new executive officer license applications generate \$15,000 in cash fund revenue at the \$50 new license rate. The Department estimates that in 2017-18, provisions of LB140 would result in a 50% reduction in applications for new executive officer licenses as well as applications for executive officer license renewals. The Department estimates further that new and renewal license applications as well as related fee revenue would decrease an additional 10% in 2018-19. Estimated reductions in related fee revenue amount to \$24,510 for 2017-18 and a cumulative reduction in annual fee revenue of \$29,412 for 2018-19. These estimates appear reasonable; however, the related reduction in cash fund fee revenue will ultimately be dependent upon the associated rate of decline in applications for new and renewal bank executive officer licenses that may be associated with provisions of LB140. The Department indicates that reduced staff workload associated with review and processing of new and renewal bank executive officer license applications would be modest and related time savings would be reallocated to other agency responsibilities.

Also as the result of the adoption of AM437, provisions of LB454 [2017] have been incorporated into LB140.

Current law provides for licensing of credit union loan officers by the Department of Banking and Finance. As amended by AM437, LB140 would allow credit unions to opt out of this licensing requirement for loan officers by completing related forms to be supplied by the Department. The Department currently assesses a one-time fee of \$25 for new credit union loan officer licenses and a \$15 annual fee for license renewals. The Department indicates that there are currently 72 active credit union loan officer license holders and the agency receives approximately 16 requests annually for new credit union loan officer licenses. 72 active loan officer license holders generate \$1,080 annually in cash fund revenue at the \$15 license renewal rate. 16 new loan officer license applications generate \$400 in cash fund revenue at the \$25 new license rate. The Department estimates that in 2017-18, provisions of LB140 would result in a 50% reduction in applications for new loan officer licenses as well as applications for loan officer license renewals. The Department estimates further that new and renewal license applications as well as related fee revenue would decrease an additional 10% in 2018-19. Estimated reductions in related fee revenue amount to \$740 for 2017-18 and a cumulative reduction in annual fee revenue of \$888 for 2018-19. These estimates appear reasonable; however, the related reduction in cash fund fee revenue will ultimately be dependent upon the rate of decline in applications for new and renewal loan officer licenses that may be associated with provisions of LB140. The Department indicates that reduced staff workload associated with review and processing of new and renewal credit union loan officer license applications would be minimal and related time savings would be reallocated to other agency responsibilities.