

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		See below		See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		See below		See below

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

The Department of Banking and Finance estimates provisions of LB379 will result in a decline in the number of delayed deposit services licensees operating in the state and estimates a corresponding reduction in related licensees seeking annual renewal of delayed deposit services licensure. The agency estimates a reduction of 44 delayed deposit services main office licenses and a decline of 42 delayed deposit services branch office licenses if LB379 were to be enacted.

Per Sec. 45-910, delayed deposit services licensure renewal fees are allocated as follows:

	<u>Main Office License Renewal</u>	<u>Branch Office License Renewal</u>
Financial Institutions Assessment Cash Fund (Banking & Finance)	\$150	\$100
Financial Literacy Cash Fund (University of Nebraska)	\$350	\$400
	<u>\$500</u>	<u>\$500</u>

Assuming the Department of Banking and Finance estimates of a decline in the number of delayed deposit services main office (44) and branch office (42) license renewals yields estimates of declines in annual revenue to accrue to:

	<u>Main Office License Renewal</u>	<u>Branch Office License Renewal</u>	<u>Total</u>
Financial Institutions Assessment Cash Fund (Banking & Finance)	\$(6,600)	\$(4,200)	\$(10,800)
Financial Literacy Cash Fund (University of Nebraska)	\$(15,400)	\$(16,800)	\$(32,200)

Declines in cash fund revenue that may result under provisions of LB379 would ultimately depend on the number of licensees that may ultimately opt not to renew delayed deposit services licenses.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 379	AM:	AGENCY/POLT. SUB: Department of Banking & Finance
REVIEWED BY: Neil Sullivan	DATE: 1/28/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Banking & Finance assessment of fiscal impact from LB 379.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 379 AM: AGENCY/POLT. SUB: University of Nebraska

REVIEWED BY: Neil Sullivan DATE: 3/6/2019 PHONE: (402) 471-4179

COMMENTS: The University of Nebraska assessment of decreased revenue from LB 379 appears reasonable. The FTE impact should be a reduction rather than an increase. It is reasonable to assume Financial Literacy Cash Fund programming would be reduced, but not eliminated as an estimated \$11,000 continuing annual revenue would remain.

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2019

LB⁽¹⁾ 379

FISCAL NOTE

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

Prepared by: ⁽³⁾ Margo Sawyer Date Prepared: ⁽⁴⁾ 1/25/19 Phone: ⁽⁵⁾ 471-4954

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	-10,800	_____	-10,800
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	-10,800	=====	-10,800

Explanation of Estimate:

This bill would require delayed deposit services (DDS) licensees to utilize the Nationwide Mortgage Licensing System. The bill would also require licensees to designate a principal place of business in the state rather than obtain a license for each county in which it operates. Currently, there are 26 companies that hold licenses in multiple counties, for a total of 75 licenses. As a result, the total number of licenses would be reduced by 44. The annual renewal cost for a DDS license is \$500, with the Department receiving \$150 of that fee (\$350 to the Financial Literacy Cash Fund), for an annual revenue loss of \$6,600.

The bill would also eliminate delayed deposit services branches. There are currently 42 delayed deposit services branches, with an annual renewal cost of \$500, with the Department receiving \$100 of that fee (\$400 to the Financial Literacy Cash Fund), for an annual revenue loss of \$4,200.

The total annual revenue loss to the department would be \$10,800.

This bill allows licensees to offer online delayed deposit services, which may minimally increase the time of examination by the Department. Any increase in examination time will be absorbed by existing staff.

The licensee will incur an additional fee for filing with NMLS, in addition to the fees payable to the Department.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====

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

2019

LB⁽¹⁾ 379

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

University of Nebraska

Prepared by: ⁽³⁾ Michael Justus

Date Prepared: ⁽⁴⁾ February 18, 2019

Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	(\$32,000)	(\$32,000)	(\$32,000)	(\$32,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>(\$32,000)</u>	<u>(\$32,000)</u>	<u>(\$32,000)</u>	<u>(\$32,000)</u>

Explanation of Estimate

Information provided to us indicates that LB 379 would cause a decrease of approximately \$32,000 in fee revenues for the Financial Literacy Cash Fund. The projected cuts would mean that the University would no longer be able "to provide assistance to nonprofit entities that offer financial literacy programs to students in grades kindergarten through twelve."

The Fund would no longer be able to provide high school business competitions at the five centers for economic education located at UNL, UNO, UNK, Wayne State and Chadron State. Over 800 high school students participated in these activities during 2018.

The 2019-2020 programmatic plan includes creating on demand webinars for the community at large. Topics would include budgeting, what's a credit score, how to obtain your credit report, and more. Without funding, this project will not come to fruition.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2019-20	2020-21
	19-20	20-21	EXPENDITURES	EXPENDITURES
Education Specialist	.25 FTE	.25 FTE	\$12,000	\$12,000
Operating – Programming Expense			\$20,000	\$20,000
	Total		\$32,000	\$32,000