

PREPARED BY: Nikki Swope  
 DATE PREPARED: December 20, 2021  
 PHONE: 402-471-0042

# LB 510

Revision: 01

Updated for 2022 session

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
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.

LB 363 (2021) went into effect on March 18, 2021. Sections of the bill expanded the scope of the Installment Loan Act to include entities that acquire any forms of ownership, servicing, or participation rights in an installment loan.

This bill proposes an increase in the annual renewal fee from \$250 to \$500. The provisions of LB 510 would require transfer of \$350 of that amount to the Financial Literacy Cash Fund with the remaining \$150 being transferred to the NDBF Financial Institution Cash Fund.

Assuming all 51 current license applications were granted, and no new applications were received, would result in an increase in the Financial Literacy Cash Fund and a reduction of the NDBF Financial Institution Cash Fund.

See the following for the total fiscal impact on the Department of Banking and University of Nebraska:

	Installment Loan
Financial Institutions Assessment Cash Fund (Banking & Finance)	<u>License</u>
Financial Literacy Cash Fund (University of Nebraska)	(\$5,100)
	\$17,850

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

**2022**

**LB<sup>(1)</sup> 510**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Margo Sawyer Date Prepared: <sup>(4)</sup> 12/2/2021 Phone: <sup>(5)</sup> 402-471-4954

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

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	<u>-5,100.00</u>	_____	<u>-5,100.00</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>-5,100.00</u>	<u>_____</u>	<u>-5,100.00</u>

**Explanation of Estimate:**

LB363 (2021) went into effect on March 18, 2021. Sections 27 and 28 of LB 363 expanded the scope of the Installment Loan Act to include entities that acquire any forms of ownership, servicing, or participation rights in an installment loan. As a result, the Department has received, as of 11/17/2021, 51 applications for new licenses; 6 have been granted. This bill would increase the annual license renewal fee from \$250 to \$500 but transfer \$350 of that amount to the Financial Literacy Cash Fund and only \$150 to the NDBF Financial Institution Assessment Cash Fund. The effect will reduce the annual license renewal fee paid to the Department from \$250.00 to \$150.00. Assuming all 51 licenses are granted, and no new applications are received, this would result in a reduction of revenues of \$5,100.00 per fiscal year.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23 EXPENDITURES</u>	<u>2023-24 EXPENDITURES</u>
	<u>22-23</u>	<u>23-24</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____