

As amended to date

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$31,103		\$43,545	
CASH FUNDS				
FEDERAL FUNDS	\$31,103		\$43,545	
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$62,206</b>		<b>\$87,089</b>	

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

LB 1074 provides updates to federal law relating to banking and finance; changes provisions of the Securities Act of Nebraska, the Commodity Code and the Credit Union Act; and amends sections of statutes relating to the banking and finance statutes and the Uniform Commercial Code. No fiscal impact.

LB 1074, **as amended by the committee amendment AM 2560**, contains the provisions of LB 1074 and incorporates provisions of five other bills. Those bills are as follows:

**LB 1075** changes provisions relating to applications, background checks, registrations, and required notices under the Nebraska Money Transmitters Act, the Nebraska Installment Sales Act, and the Nebraska Installment Loan Act. The bill also includes provisions relating to registrations and background checks under the Delayed Deposit Services Licensing Act, and required notices under the Residential Mortgage Licensing Act.

The bill would require backgrounds checks to include fingerprinting of every executive officer, director, partner, member, sole proprietor, or shareholder of applicants and licensees that are subject under the bill. This information would be submitted to the Federal Bureau of Investigation and any other governmental agency or entity authorized to receive such information for a state, national, and international criminal history record information check.

The bill further authorizes the Department of Banking and Finance Director (Director) to use the Nationwide Mortgage Licensing System and Registry to channel the information to the United States Department of justice to meet the requirements of the background checks of the bill and to reduce the points of contact to receive or send such information.

The bill further requires a licensee to notify the Director of any breaches of security of computerized data within three business days of such an event and provides for the manner by which the Director shall respond to the security breach. No fiscal impact.

**LB 1122** increases fines from one thousand dollars to five thousand dollars for violations for the use of the name, trade name, logo, or symbol of a financial institution for any reason without the consent of the financial institution. No fiscal impact to the Department of Banking. Increases in fines collected will be distributed to schools in accordance with the constitutional provision.

**LB 872** amends statute to prohibit any public official, political subdivision or state agency to accept digital currency as a method of cash payment for any tax, levy, excise, duty, custom, toll, interest, penalty, fine license, fee or assessment. Acceptance of digital currently is not currently a practice of state agencies and political subdivisions so it is not anticipated any changes in processes. No fiscal impact.

**LB 710, as amended by AM 1387**, proposes changes to the Nebraska Credit Union Act (Act) which is under the jurisdiction of the Nebraska Department of Banking and Finance (NDBF). The bill amends sections of the Act to define and redefine terms, articles of association, bylaws, records, membership, meetings, boards of directors, interest rates, credit committees, authorized investments, and mergers or consolidations and to provide for associate directors.

The amendment, AM 1387 removes Sections 5,7, and 12 from LB 710 and removes Section 13, except for the following: "In insurance policies and other investment products to fund employee benefit plans for its employees not to exceed fifteen percent of the net worth of a credit union from a single issuer or twenty-five percent of the net worth of a credit union in aggregate. Employee benefit plan has the same meaning as in 29 U.S.C. 1002(3), as such section existed on January 1, 2023. If the employee benefits arrangement does not present a risk to the safety and soundness of the domestic credit union as determined by the director, the purchase of those investment products is not subject to the limitations of the Credit Union Act. No fiscal impact.

**LB 1294, amended by AM 2538**, adopts the Data Privacy Act (Act), provides definitions for the Act, defines to whom the Act applies, establishes limitations and prohibitions for controllers, establishes a grievance process and civil penalties for violations, provides enforcement authority to the Attorney General and establishes an operational date of January 1, 2025. The amendment modifies definitions and terms and provides clarification language. No fiscal impact.

**AM 2820** includes provisions of **LB 1290** which makes changes to the Nebraska Uniform Trust Code to promote the use of special needs trusts by individuals with disabilities in a manner as outlined in the bill. These trusts are intended to safeguard funds that can be used to cover the needs of these individuals that are not addressed by governmental benefits to enhance the quality of life of these individuals.

The Department of Health and Human Services (DHHS) anticipates that an additional staff person would be required for the review of all trusts for Medicaid applicants or recipients. This would necessitate hiring an additional full-time DHHS Program Specialist to manage the increased review workload. DHHS used the assumption of October 1, 2024 as the anticipated start date of the program. DHHS estimated cost for this additional position, including operating costs, to be \$62,205 in FY24-25 and \$87,089 in FY25-26 split equally between general and federal funds.

LB 1074, as amended, includes an emergency clause.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1074	AM: 2820	AGENCY/POLT. SUB: State Treasurer's Office
REVIEWED BY: Ryan Walton	DATE: 3/25/2024	PHONE: (402) 471-4174
COMMENTS: The State Treasurer's assessment of fiscal impact from LB 1074, as amended by AM2820, appears reasonable.		

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**2024**

**LB<sup>(1)</sup> 1074, AM 28200**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters Date Prepared: <sup>(4)</sup> March 21, 2024 Phone: <sup>(5)</sup> 402-471-2793

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

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB 1074, AM 2820 to the office.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____