PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 06, 2015 402-471-0051

**LB 193** 

Revision: 00

## **FISCAL NOTE**

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	15-16	FY 2016-17				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

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

LB 193 would prohibit an interchange fee from being imposed on any portion of an electronic payment transaction that is attributable to a state or local tax or fee.

A payment card network is to either deduct the amount of the tax or fee from the calculation of interchange fees at the time of settlement or rebate an amount of interchange fee proportionate to the amount of the tax or fee.

Interchange fee is defined as any fee established, charged, or received by a payment card network for the purposes of compensating the issuer for its involvement in an electronic payment transaction.

An electronic payment transaction is one in which a debit card, credit card, or other payment code or device is used to debit an asset account or use a line of credit whether authorization is based on signature, personal identification number, or other means.

There appears to be no cost to the state as a result of LB 193.

The Department of Revenue indicates the cost to implement LB 193 will be minimal.

We agree with the Department of Revenue's estimate of cost.

The Attorney General has estimated a cost of \$18,280 for 0.25 FTE Assistant Attorney General for FY2015-16 and \$18,604 for FY2016-17, with PSL of \$12,500 and \$12,781 respectively.

We disagree with the Attorney General's estimate of fiscal impact and believe the agency can absorb this cost with existing staff and resources.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 193 AM: AGENCY/POLT. SUB: Dept. of Administrative Services						
REVIEWED BY: I	Lyn Heaton		DATE: 3/6/2015	PHONE: 471-4181		
COMMENTS: Concur. No operational fiscal impact on the Department of Administrative Services.						

Capital improvements......

TOTAL......

<b>LB</b> <sup>(1)</sup> 193				NOTE				
State Agency OR Political Subdivision Name: (2)  Prepared by: (3) Hari Kadavath		Administrative	Administrative Services - State Accounting					
		Date Prepared: (4)	01/26/2015 Phone: 0	402-471-0600				
	ESTIMATE PROVI	DED BY STATE AGE	NCY OR POLITICAL SUBDIV	ISION				
		<u>2015-16</u>	FY 20:					
	<b>EXPENDITURES</b>	<u>REVENUE</u>	<b>EXPENDITURES</b>	<u>REVENUE</u>				
GENERAL FUNDS								
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS			_					
TOTAL FUNDS	0.00	0.00	0.00	0.00				
Taxes or fees impose excluded when calcul LB193 as written has	ating the interchang	ge fee.	r local government including	រុ motor fuel taxes are				
	BREAK	KDOWN BY MAJOR C	DBJECTS OF EXPENDITURE					
Personal Services:								
POSITION T		UMBER OF POSITION         15-16       16-17	NS 2015-16 EXPENDITURES	2016-17 EXPENDITURES				
Benefits								
Operating								
Travel								
Capital outlay								
Aid								

Aid......Capital improvements.....

TOTAL.....

LB <sup>(1)</sup> 193					FISCAL NOTE		
State Agency OR Political Subd	livision Name: (2)	Attorney Gene	eral				
Prepared by: (3) Jay Bartel		Date Prepared: (	Date Prepared: (4) 1-28-15 Phone: (5)				
1 0 ====			-	==	SION		
ESI	IMATE PROVID	ED BY STATE AG	ENCY OR POLITIC	ALSOBDIVE	SION		
		015-16		FY 2016-17			
E	KPENDITURES	REVENUE	<b>EXPENDI</b>	<u>rures</u>	<u>REVENUE</u>		
GENERAL FUNDS	18,280.		18,60	)4	S		
CASH FUNDS		·	_		3 <del></del>		
FEDERAL FUNDS			_				
OTHER FUNDS					( <u> </u>		
TOTAL FUNDS	18,280.	8	18,60	)4			
The bill would create a court actions to impose impact if few violations violations are referred. the act, as evidenced be involved in initial impler	civil penalties are brought to There may als by section 6 of t mentation of the	on persons who our attention, or so be a challenge the bill. Accordin	violate the act. it could have a set to the validity of a gly, up to ¼ of a	I his could r ignificant in f the require n attorney's	nave a minor npact if numerous ements imposed by		
Personal Services:	NIT	MBER OF POSITION	NS 2015	-16	2016-17		
POSITION TITL		15-16 16-1'			<b>EXPENDITURES</b>		
Assistant Attorney General		.25 .25	12,5	00.	12,781.		
Benefits			578	0.	5823,		
Travel							
Capital outlay					- N		



18,604.

18,280.

LB 193 Fiscal Note 2015

State Agency Estimate							
State Agency Name: Department of Revenue Date Due LFA: 03/06/2015							
Approved by: Len Sloup		Date Prepared:	03/05/2015		Phone: 471-5896		
FY 2015-2016 FY 2016-2017 FY 2017-201						17-2018	
	<b>Expenditures</b>	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	1						
Cash Funds							
Federal Funds							
Other Funds							
Total Funds							
					_		

LB 193 prohibits credit card and debit card processors from imposing any interchange fee on any portion of a transaction that is attributable to a state or local tax or fee. The payment card network must either subtract the amount of the tax or fee from the transaction prior to calculating the interchange fee or it must rebate any amount attributable to the tax or fee to the merchant. This requirement applies to electronic payments processed after October 1, 2015.

An interchange fee is defined as any fee established, charged, or received by a payment card network for the purpose of compensating the issuer for its involvement in an electronic payment transaction. An electronic payment transaction is defined as a transaction in which a person uses a debit card, credit card, or other payment code or device, issued or approved through a payment card network, to debit an asset account or use a line of credit.

The bill does not have a revenue impact on the General Fund, and Departmental cost to implement the bill is expected to be minimal.

Major Objects of Expenditure								
Class Code	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 Expenditures	16-17 Expenditures	17-18 Expenditures	
	Benefits							
Operating Costs.								
Travel	Travel							
Capital Outlay								
A: .1								
Capital Improvemen	nts							