

PREPARED BY: Nikki Swope
 DATE PREPARED: March 20, 2023
 PHONE: 402-471-0042

LB 710

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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 710 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, to change provisions relating to establishing branches, articles of association, bylaws, principal place of business, records, membership, meetings, boards of directors, interest rates, credit committees, authorized investments, and mergers or consolidations; and to provide for associate directors

Section 5 of the bill amends section 21-1725.01 to remove the requirement that NDBF publish notice of the filing of applications for credit union offices and conduct a hearing if an objection is filed. The NDBF reports that since 2012, there have been 4 applications for credit unions branch offices and no objections were filed on these applications. In 2019, NDFB had two scheduled hearings on proposed amendments to credit card bylaws and no hearings were scheduled and there have not been any hearings scheduled for proposed amendments to the articles of association in the past ten years. Any fiscal impact would be minimal to the NDBF and would be absorbed by existing resources.

Section 13 of the bill amends Section 21-17,102 of the Act to authorize credit unions to invest in technology companies subject to provisions as outlined in the bill. The NDBF anticipates that this amendment could add additional time for examinations of credit unions which make such investments; however, the additional time would vary based on the circumstances and be billed to the credit union.

No fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 710	AM:	AGENCY/POLT. SUB: Department of Banking and Finance	
REVIEWED BY: Ryan Walton	DATE: 1/26/2023	PHONE: (402) 471-4174	
COMMENTS: The Department of Banking and Finance assessment of no fiscal impact to the agency from LB 710 appears reasonable.			

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

2023

LB⁽¹⁾ 710

FISCAL NOTE

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

Prepared by: ⁽³⁾ Margo Sawyer Date Prepared: ⁽⁴⁾ 1/24/2023 Phone: ⁽⁵⁾ 402-471-4954

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

LB 710 proposes updates to the Nebraska Credit Union Act (“Act”), which is under the jurisdiction of the Nebraska Department of Banking and Finance (“NDBF”). Although two provisions of the bill directly relate to NDBF supervision, there is no fiscal impact on the agency.

Section 5 of the bill amends Section 21-1725.01 of the Act to (i) remove the requirement that NDBF publish notice of the filing of applications for credit union branch offices, and, if an objection is filed, to conduct a hearing on the application, and (ii) to remove NDBF discretionary authority to hold hearings on amendments to a credit union’s articles of associations and bylaws. Since 2012, there have only been 4 applications for credit union branch offices. No objections were filed in any of the four, so no hearings were held. Since 2012, NDBF has scheduled hearings on 2 proposed amendments to credit union bylaws; both were in 2019. No hearings were scheduled for proposed amendments to articles of association in the last ten years. Staff time that would be saved is therefore estimated to be minimal and would be re-allocated to other matters.

Section 13 of the bill amends Section 21-17,102 of the Act to authorize credit unions to invest in financial technology companies subject to restrictions. The provisions could add some procedures and time to NDBF examinations in credit unions which make such investments. Any added time, however, would vary based on the circumstances of each institution, and would be billed to the credit union in accordance with Section 8-606.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====