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PREPARED BY: Doug Gibbs  
DATE PREPARED: January 26, 2011  
PHONE: 471-0051

LB 530

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 530 would create the Employee Credit Privacy Act.

The bill provides that an employer shall not refuse to hire, refuse to recruit, discharge, or discriminate against an individual because of the individual's credit history or credit report. The bill provides an exception if a satisfactory credit history is an established bona fide occupational requirement.

In addition, the bill provides that an employer may not inquire about an applicant's or employee's credit history or order or obtain an applicant's or employee's credit history.

The bill defines "employer" as an individual or entity that permits one or more individuals to work or that accepts applications for employment or is an agent of an employer. The bill states that "employer" does not include bank holding companies, financial holding companies, banks, saving banks, saving and loan associations, credit unions, or trust companies or any subsidiaries or affiliates of the aforementioned. Also not included in the definition of "employer" are any companies authorized to engage in any kind of insurance or surety business or any employee, agent, or employee of an agent acting on behalf of such a company. State law enforcement agencies, any state or local government agency which requires use of the employee's or applicant's credit history, and debt collectors are also not included in the definition.

LB 530 prevents an employer from requiring an applicant or employee to waive any rights under the Act or to retaliate against any person who files or was about to file a complaint under the Act, or testify, assist, or participate in an investigation under the Act.

The bill provides for a right of action in district court for a person who is injured by a violation of the Act and that the court shall award costs and attorney's fees to a plaintiff who prevails in such an action.

NOTE: Section 4 of the bill provides that an employer shall not retaliate or discriminate against an employee who files a complaint under the Act, however; the bill does not provide that an employee may file a complaint or where the employee would file the complaint.

The bill, Section 3 (2)(d), refers to rules the Nebraska Department of Labor or the U.S. Department of Labor may have adopted to establish the criteria for when a credit history is a bona fide occupational requirement. The Nebraska Department of Labor indicates that in their opinion the Act will require at least an initial set of regulations in order to fully implement the Act and the employees who would perform these duties are almost exclusively federal funded and federal funds could not be used to pay for activities required under LB 530. Therefore, General Funds will need to be appropriated to pay for these activities. The Department estimates expenditures for FY11-12 of \$2,997 and FY12-13 of \$3,073.

We do not disagree with the Department's estimate of cost if rules are required. However, we believe Section 3 (2) (d) is ambiguous and does not specifically mandate that the Department adopt such rules and that the Department could choose not to adopt rules. If that is the case then there is no fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	1/26/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF BANKING AND FINANCE: Concur.					

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

LB<sup>(1)</sup> 530 **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> 1/25/11 Phone: <sup>(5)</sup> 471-4954

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2011-2012</u>		<u>FY 2012-2013</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

No Fiscal Impact

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2011-2012 EXPENDITURES</u>	<u>2012-2013 EXPENDITURES</u>
	<u>11-12</u>	<u>12-13</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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**FISCAL NOTE LB530**  
**Nebraska Department of Labor**

Prepared By	Ward, Debbie Kay
Date Prepared	1/28/2011
Prepared Phone	402-471-2492

**Estimate Provided By State Agency or Political Subdivision**

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	2,997		3,073	
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

**Explanation of Estimate:**

LB 530 enacts the Employee Credit Privacy Act. The Department of Labor is assigned rule making authority under the Act. It is anticipated that the Act will require at least an initial set of regulations in order to fully implement the Act. The employees who would perform these duties are almost exclusively federally funded and federal funds could not be used pay for activities required under LB 530. Consequently General Funds will need to be appropriated to pay for these activities.

**Major Objects of Expenditure**

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
Attorney	.024	.024	878	900
Paralegal II	.014	.014	1,019	1,045
			Benefits	664
			Operating	436
			Travel	
			Capital outlay	
			Aid	
			Capital improvements	
			Total	2,997
				3073