

PREPARED BY: Phil Hovis
 DATE PREPARED: January 23, 2007
 PHONE: 471-0057

LB 122

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

Among its provisions, LB122 amends elements of current law concerning asset assessments levied by the Department of Banking and Finance upon state-chartered and licensed financial institutions. The bill would authorize proration of the asset assessments based upon the number of months during an assessment period during which a financial institution held a state charter or license. This provision would apparently allow for rebate of a portion of an assessment paid by an institution that surrenders its charter or license during the assessment period. Conversely, this provision would apparently allow for a partial year assessment for institutions that secure a state charter or license during an assessment period after asset assessments for the period have been assessed. The Department estimates related revenue lost as the result of prorating assessments for institutions surrendering charters or licenses during the course of an assessment period would be generally offset by revenue gains associated with prorated assessments for institutions securing charters or licenses during an assessment period. The Department's estimate in this regard appears reasonable.

LB122 would also authorize the Department of Banking and Finance discretion to levy fines for failure by financial institutions to pay specified assessments and fees. The Department indicates that related payment non-compliance rates are low and estimates related fine revenue that may result from the discretionary authority granted by the bill to be minimal.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	1/24/07	PHONE 471-2526
COMMENTS			
DEPT. OF BANKING & FINANCE – No basis to dispute agency analysis.			