

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(24,510)		(29,412)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(24,510)		(29,412)

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

Current law requires bank executive officers to apply for and obtain a license to act as a bank executive officer from the Department of Banking and Finance. LB341 would allow banks to elect for its executive officers to be exempt from the requirement to apply for and obtain executive officer licenses. The Department currently assesses a one-time fee of \$50 for new bank executive officer licenses and a \$15 annual fee for license renewals. The Department indicates that there are currently 2,268 active executive officer license holders and the agency receives approximately 300 requests annually for new bank executive officer licenses. 2,268 active executive license holders generate \$34,020 annually in cash fund revenue at the \$15 license renewal rate. 300 new executive officer license applications generate \$15,000 in cash fund revenue at the \$50 new license rate. The Department estimates that in 2017-18, provisions of LB341 would result in a 50% reduction in applications for new executive officer licenses as well as applications for executive officer license renewals. The Department estimates further that new and renewal license applications as well as related fee revenue would decrease an additional 10% in 2018-19. Estimated reductions in related fee revenue amount to \$24,510 for 2017-18 and a cumulative reduction in annual fee revenue of \$29,412 for 2018-19. These estimates appear reasonable; however, the related reduction in cash fund fee revenue will ultimately be dependent upon the rate of decline in applications for new and renewal bank executive officer licenses that may be associated with provisions of LB341. The Department indicates that reduced staff workload associated with review and processing of new and renewal bank executive officer license applications would be modest and related time savings would be reallocated to other agency responsibilities.

ADMINISTRATIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 341	AM:	AGENCY/POLT. SUB: Dept of Banking
REVIEWED BY: Gary Bush	DATE: 1/25/17	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the estimate provided by the agency.		

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

2017

LB⁽¹⁾ 341

FISCAL NOTE

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

Prepared by: ⁽³⁾ Margo Sawyer Date Prepared: ⁽⁴⁾ 1/23/17 Phone: ⁽⁵⁾ 471-4954

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	-24,510	_____	-29,412
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	-24,510	=====	-29,412

Explanation of Estimate:

There are currently 2,268 active Executive Officers License, with an annual renewal cost of \$15, for a total annual revenue of \$34,020. The department also receives approximately 300 request for new licenses each year at a cost of \$50 per license, for annual total of \$15,000. If banks are not required to have Executive Officers Licenses the department estimates the number of existing and new licenses will drop by fifty percent the first fiscal year, and an additional 10 percent the second fiscal year. The annual renewals of Executive Officers Licenses is an automated process and the amount of costs savings to the department for staff time saved would be minimal. The approval process for applications for new licenses is divided between four staff members, with the time spent on the approval ranging from five to fifteen minutes per staff member. The amount of staff time saved would be minimal and the available time would be spent on other tasks.

The department estimates that the civil penalties, if any, would be minimal. It is anticipated that costs to levy the penalties would be absorbed by the department.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____