

Revised based on amendments adopted through 2/20/08

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2008-09 | | FY 2009-10 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | 1,000 | 30,000 | | 27,400 |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | 1,000 | 30,000 | | 27,400 |

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

Among its provisions, LB851 would amend certain notice requirements for financial institutions by changing existing requirements for use of certified mail to use of first class mail for related notices. Reductions in related mailing expenditures will be counterbalanced by equivalent reductions in reimbursements from notice recipients who are required to pay for the cost of notices. The reduction in mailing costs and related reimbursements are estimated to represent relatively nominal amounts, less than \$5,000 annually.

Additionally, LB851 would authorize trust companies to make an annual disclosure statement available to the general public in lieu of publishing an annual report summary in a newspaper of general circulation in the county in which trust companies are chartered. According to the bill, the disclosure statement is to be in a form prescribed by the Department of Banking and Finance. The Department estimates minimal one-time cash fund expenditures (\$1,000) for development and distribution of a related disclosure statement. Such costs could be accommodated within current cash fund appropriations for the agency.

LB851 also amends the Mortgage Bankers Registration Act. The definition of mortgage banking business under current law effectively exempts entities involved with fewer than ten mortgages annually from mortgage banker licensure requirements. LB851 would remove this exemption. The Department of Banking and Finance estimates that removal of the exemption would result in 75 new mortgage banker licenses issued in 2008-09 and 50 new licenses issued in 2009-10. The fee for a new mortgage banker license is \$400. The Department also estimates that one-half of the new licensees in 2008-09 would renew their licenses in 2009-10. The fee for a mortgage banker license renewal is \$200. The Department's estimates of additional licensure fee revenue appear reasonable and are summarized as follows:

| | <u>2008-09</u> | <u>2009-10</u> |
|-------------------------------|-----------------------|---------------------------|
| New mortgage bankers licenses | 75 @ \$400 = \$30,000 | 50 @ \$400 = \$20,000 |
| Renewal licenses | ----- | 37 @ \$200 = <u>7,400</u> |
| | \$30,000 | \$27,400 |

The Department estimates minimal increases in cash fund expenditures to process the estimated additional mortgage bankers license applications.

LB851 also amends the Delayed Deposit Services Licensing Act. Current law prescribes conditions under which the Director of the Department of Banking and Finance may suspend or revoke a delayed deposit services license. LB851 would amend these provisions so as to allow the Director to suspend or revoke a delayed deposit services license for failure on the part of a licensee to comply with a consent order. In cases of failure to comply with a consent order, the Director is authorized to impose a fine and cost of a related investigation. The Department estimates the change in delayed deposit services license suspension/revocation provisions may result in one more enforcement action undertaken annually by the agency. The Department estimates related costs (to be reimbursed by licensee) at \$500.