

PREPARED BY: Nikki Swope  
 DATE PREPARED: February 09, 2023  
 PHONE: 402-471-0042

**LB 730**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$102,600	\$83,000	\$102,997	\$83,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$102,600</b>	<b>\$83,000</b>	<b>\$102,997</b>	<b>\$83,000</b>

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

LB 730 would adopt the Fair Access to Financial Services Act (Act). The Act established state compliance mandates for banks, credit unions, trusts, mortgage companies, money transmitters, and other nondepository service providers to limit Nebraskan’s access to financial services for any other reason than objective financial criteria as outlined in the bill.

To ensure compliance with the Act, the Nebraska Department of Banking and Finance would be required to make adjustments to the examinations process to determine whether acceptable actionable criteria are considered in lending policies, services provided and in practice. The Department would also be required to investigate and respond to complaints brought under the Act.

The Nebraska Department of Banking and Finance anticipates a need for one Financial Institution Senior Examiner. The personnel costs, including salary, benefits, operating, travel and one- time capital outlay, for the 1 FTE is \$102,600 in FY 2023-24 and the personnel costs, including salary, benefits, operating, travel \$102,997 for the 1 FTE in FY 2024-25.

It is estimated that the examiner would divide billable time for the examinations between depository and nondepository institutions who pay for the examination expenses. The total number of billable hours, at \$50 per hour, is 900 hours for a total of \$83,000 in revenue each fiscal year.

The revenue from billable hours to the financial institutions would offset the expenditures for the FTE for a net increase in expenditures of \$19,600 in FY 2023-24 and \$19,997 in FY 2024-25.

There is no basis to disagree with these estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 730	AM:	AGENCY/POLT. SUB: Department of Banking and Finance	
REVIEWED BY: Ryan Walton	DATE: 1/31/2023	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with the Department of Banking and Finance assessment of fiscal impact from LB 730.			

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

**2023**

**LB<sup>(1)</sup> 730**

**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> 1/26/2023 Phone: <sup>(5)</sup> 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	102,600	83,000	102,997	83,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>102,600</u>	<u>83,000</u>	<u>102,997</u>	<u>83,000</u>

**Explanation of Estimate:**

LB 730 would adopt the Fair Access to Financial Services Act, The Act establishes state compliance mandates for banks, credit unions, trusts, mortgage companies, money transmitters, and other nondepository service providers. Examinations would need to be adjusted to determine whether acceptable actionable criteria are considered by institutions in lending policies, services provided, and in practice. The Department would also investigate and respond to complaints brought under the Act.

As of yearend 2022, the Department regulated a total of 870 entities that are covered under the bill. The Department estimates the fiscal impact would be 1 FTE Financial Institution Senior Examiner.

It is estimated the examiner, once trained, would divide time between depository and nondepository institutions, with 500 hours of billable time dedicated to depository institutions and 400 hours of billable time to nondepository institutions. Based on the current billable time for each examination category, this would be 500 hrs. x \$50/hr. = \$25,000 and 400 hrs. x \$145/hr.= \$58,000 for a projected total revenue increase of \$83,000.

**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>
Senior Examiner	1	1	67,700	71,085
Benefits.....			20,300	21,112
Operating.....			7,800	7,800
Travel.....			3,000	3,000
Capital outlay.....			3,800	
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<u>102,600</u>	<u>102,997</u>

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

2023

LB<sup>(1)</sup> 730

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Insurance

Prepared by: <sup>(3)</sup> Jordan Blades Date Prepared: <sup>(4)</sup> 2/8/2023 Phone: <sup>(5)</sup> 402-471-1432

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:

The Department of Insurance Does not anticipate any fiscal impact at this time.

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.....	_____	_____	_____	_____