

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB891 would authorize the Department of Banking and Finance to approve conditional bank charters. To the extent the Department would receive applications for such charters, cash fund revenue from related fees (per Sec. 8-602) would accrue to the agency. The level of such revenue would depend on (1) the number of applications for such conditional charters and (2) the capitalization level of the banks for which the conditional charters are sought. The related charter fees include a fixed component (\$2,500 application fee) and a variable component (\$1.50 per \$1,000 of authorized capital). Given the uncertainty of the number of conditional charters that may be sought and their related capitalization levels, an estimate as to the revenue impact associated with such fees is similarly uncertain. The Department estimates additional related cash fund revenue based on the following assumptions:

	<u>2010-11</u>	<u>2010-11</u>	
Number of conditional charters:	1	2	
Bank capitalization level:	1 @ \$10,000,000	2 @ \$10,000,000	each
Fixed rate charter fees	1 x <u>\$2,500</u> \$2,500	2 x <u>\$2,500</u> \$5,000	
Variable rate charter fees	\$10,000,000 ÷ <u>1,000</u> 10,000 x <u>\$1.50</u> \$15,000	\$20,000,000 ÷ <u>1,000</u> 20,000 x <u>\$1.50</u> \$30,000	
Total estimated charter fees	Fixed \$2,500 Variable + <u>15,000</u> \$ <u>17,500</u>	\$5,000 + <u>30,000</u> \$ <u>35,000</u>	

Any related increase in cash fund revenue will, as noted above, depend on the number of conditional charter applications and the capitalization level of the related banks.

Any additional agency costs incurred in investigating and processing applications for conditional bank charters would depend primarily upon the number of related charter applications. Assuming relatively few applications for conditional bank charters, it would appear that related costs could be accommodated within existing funding levels appropriated to the Department of Banking and Finance.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	1/20/10	PHONE	471-2526
COMMENTS					
DEPARTMENT OF BANKING AND FINANCE: Agree with agency estimate of impact.					