

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		(740)		(888)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(740)		(888)

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

Current law provides for licensing of credit union loan officers by the Department of Banking and Finance. LB454 would allow credit unions to opt out of this licensing requirement for loan officers by completing related forms to be supplied by the Department. The Department currently assesses a one-time fee of \$25 for new credit union loan officer licenses and a \$15 annual fee for license renewals. The Department indicates that there are currently 72 active credit union loan officer license holders and the agency receives approximately 16 requests annually for new credit union loan officer licenses. 72 active loan officer license holders generate \$1,080 annually in cash fund revenue at the \$15 license renewal rate. 16 new loan officer license applications generate \$400 in cash fund revenue at the \$25 new license rate. The Department estimates that in 2017-18, provisions of LB454 would result in a 50% reduction in applications for new loan officer licenses as well as applications for loan 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 \$740 for 2017-18 and a cumulative reduction in annual fee revenue of \$888 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 loan officer licenses that may be associated with provisions of LB454. The Department indicates that reduced staff workload associated with review and processing of new and renewal credit union loan officer license applications would be minimal and related time savings would be reallocated to other agency responsibilities.

ADMINSTRATAIVE SERVICE STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 454	AM:	AGENCY/POLT. SUB: Dept of Banking	
REVIEWED BY: Gary Bush	DATE: 1/26/17	PHONE: (402) 471-4161	
COMMENTS: Concur.			

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

2017

LB⁽¹⁾ 454

FISCAL NOTE

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

Prepared by: ⁽³⁾ Margo Sawyer Date Prepared: ⁽⁴⁾ 1/24/17 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	_____	-740	_____	-888
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

There are currently 72 active Loan Officers Licenses, with an annual renewal cost of \$15, for a total annual revenue of \$1,080. The department also receives approximately 16 requests for new licenses each year at a cost of \$25 per license, for annual total of \$400. If Credit Unions are not required to have Loan Officer 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 Loan 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.

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.....	=====	=====	=====	=====