

As amended by AM1080

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		\$125,800		\$160,950
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$125,800		\$160,950

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

LB 474 renames the Nebraska Installment Sales Act to the Nebraska Installment Loan and Sales Act (Act); to transfer the provisions of and eliminate the Nebraska Installment Loan Act; to change and eliminate provisions relating to installment sales and installment loans and changes provisions of the Act as prescribed. All funds will be remitted to the Financial Institutions Cash Fund. The bill has an enactment date of October 1, 2025.

LB 474 will also amend the various Nebraska Statutes relating to interest, loans, and debt to update the cross-references to the Nebraska Installment Loan Act and Nebraska Installment Sales Act in accordance with this change.

LB 474 was amended by **AM307** which changes a provision to LB 474. **AM669** incorporates provisions of LB 473, LB 278 and LB 232. See below for additional detail on the amendments.

LB 474 was further amended by **AM1080**. The amendment contains language to amend AM 669 to move the language regarding regulations for licensees under the Money Transmitter Act to **LB251** (2025).

AM1080 further modifies the language in **LB527** (2025) regarding the tax collection schedule for the gross amount of non-Medicare direct writing premiums, which LB527 sets at six percent. AM1080 would introduce flexibility, allowing for tax rates to be set at a lower amount if federal regulations were to establish a lower rate.

Installment Loan Act:

The Installment Loan Act increases new application fees from \$500 to \$600, increases renewal fees from \$250 to \$300, establishes a new branch fee of \$300 and new branch renewal fees of \$200; and establishes a new change of control fee of \$300.

The new authority for branch offices for installment loans would result in a decrease in the number of full bank licenses. The Department of Banking and Finance (NDBF) estimates that 54 of the current 155 full licenses would qualify as branches. if this bill were adopted, which would reduce a portion of the fees collected for full license fees.

For FY 2025-26 for the partial year, NDBF estimates 20 new full licenses and 25 branch licenses which would be a revenue decrease for the full license fees by \$5,000. The current full license renewal fee for 54 licenses would be a revenue decrease for the proposed branch license renewal fee of \$2,700.

The \$100 increase in the full license application fee would result in an increase of revenues of \$2,000. In addition to the 54 licenses that would renew as branches, NDBF estimates 5 of the existing 155 licenses will not renew and all of the new 121 licenses and 25 new branches would renew. The \$50 increase in the full license renewal fee would result in a revenue increase of \$7,550 and the new branch renewal fee of \$200 would result in a revenue increase of \$5,000.

For FY 2025-26, this results in a net revenue increase of \$4,850 under the Installment Loan Act as a result from the changes in fees.

For FY 2026-27, NDBF estimates 15 new full licenses and 20 branch licenses which would be a revenue decrease for the full license fees by \$4,500. The current full license renewal fee for 54 licenses would be a revenue decrease for with the proposed branch license renewal fee of \$2,700.

The \$100 increase in the full license application fee would result in an increase of revenues of \$1,500. In addition to the 54 licenses that would renew as branches, NDBF estimates 5 of the existing 155 licenses will not renew and all new branches would renew. The \$50 increase in the full license renewal fee would result in a revenue increase of \$26,350 and the new branch renewal fee of \$200 would result in a revenue increase of \$30,850.

For FY 2026-27, this results in a net revenue increase of \$23,650 under the Installment Loan Act as a result from the changes in fees.

NDBF estimates there will be 5 change of control applications filed in each of the fiscal years. The new fee of \$300 will result in an increase of revenue of \$1,500 per year.

The total fiscal impact of all fee changes under the Installment Loan Act are estimated revenue increases of \$6,350 in FY2025-26 and \$25,150 for FY 2026-27.

Installment Sales Act:

The Installment Sales Act would increase new application fees from \$150 to \$250, increases renewal fees from \$150 to \$250, increases the branch fee from \$100 to \$150 and increases the branch renewal fees from \$100 to \$150. Currently, there are 93 main branch offices licenses and 33 branch offices licenses under this Act.

For FY 2025-26, NDBF estimates 5 new full license applications and 5 new branch applications for an increase of \$750. For FY 2026-27, NDBF estimates 10 new full license applications and 5 new branch applications for an increase of \$1,250.

NDBF estimates 3 full licenses and 3 branch licenses would not renew in each of the fiscal years. Therefore, in FY 2025-26 95 licenses and 35 branch licenses would renew for an estimated revenue increase of \$11,250. In FY 2026-27, 102 licenses and 37 branch licenses would renew for an estimated revenue increase of \$12,050. The total fiscal impact of all fee changes under the Installment Sales Act are estimated as revenue increases of \$12,000 in FY 2025-26 and \$13,300 in FY 2026-27.

Overall, the total impact of all fee changes under both acts are estimated as revenue increases of \$18,350 for FY 2025-26 and \$38,450 for FY 2026-27. NDBF will absorb the administrative costs for the enactment of the bill.

LB 474, as amended by **AM307**, adds the provision that loans made by financial institutions that are serviced by or purchased by a licensee shall not be subject to the interest rate limitations of the Nebraska Installment Loan and Sales Act. The amendment does not make any changes to the original fiscal impact.

AM669 includes some provisions of **LB 473**, **LB 278**, and **LB 232**. Those provisions of the amendment of bills are as follows:

Sections 4 and Sections 6-49 of **AM669** contains the provisions of **LB 473** with AM217.

LB 473 would increase the fees under the Nebraska Money Transmitters Act. Initial Money Transmitter application fees would increase by \$500 over the current fee to total \$1,500. Renewal Money Transmitter application fees would also increase by \$500 and thus would be set at \$750. Additionally, a new change of control application fee of \$1,500 would be established. All funds under the Act would be remitted to the Financial Institution Assessment Cash Fund.

The proposed bill would go into effect on October 1, 2025 so for FY 2025-26, the fees would only be collected for a partial year (October-June). Based on current applicant trends, it is anticipated that initial application fees would increase revenue by \$10,000; renewal application fees would increase revenue by \$90,000; and the new change of control application fees would increase revenue by \$7,500.

For the full year in FY 2026-27, based on current applicant trends, it is anticipated that initial application fees would increase revenue by \$15,000; renewal application fees would increase revenue by \$100,000; and the new change of control application fees would increase revenue by \$7,500.

LB 473, as amended by AM217, licensees would be no longer required to furnish a detailed receipt to the sender provided that the necessary information is readily accessible on the licensee's website.

Section 52 of **AM669** contains the provisions of **LB 278**.

LB 278 amends section 44-4109.01 to change requirements for certain insurance policies and contracts regarding visiting faculty permits as described in section 38-2045. No fiscal impact.

Section 50 of **AM669** contains the provisions of **LB 232** with AM470.

LB 232, as amended by AM470 strikes the original sections of LB 232 and inserts a new provision to Section 44-502 of the Nebraska Revised Statutes. The amendment provides that a notice will be sent electronically or mailed to the last-known address of the owner and any assignee at least fifteen days prior to termination or lapse of payment of life insurance policies. No fiscal impact.