

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	\$785,970	\$134,000,000	\$861,006	\$134,000,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$785,970	\$134,000,000	\$861,006	\$134,000,000

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

LB 201 would require Money Transmitter licensees or their authorized delegates to collect a fee for each money transmission transaction sent to a person outside the United States in an amount equal to (a) ten percent of the value of the money transmission transaction or (b) ten thousand dollars, whichever is less. Fees collected are to be remitted quarterly to the Department of Banking and Finance (NDBF) with the assistance of the Nebraska State Patrol.

LB201 would have a significant impact the NDBF Consumer Financial Services Division. Currently, NDBF does not receive data from licensees on a quarterly basis that provides the information regarding the amounts of the transactions. If the bill would be enacted, the NDBF would need to collect this data on a quarterly basis that the Department does not have access to from a report filed in the Nationwide Multi-State Licensing system. Due to the current limitations of the NDBF licensing system, additional staff would be required to meet the requirements of the bill. Additionally, LB 201 would require Nebraska to develop a separate reporting process which would necessitate additional operating expenses in FY 2025 to hire a consultant to create a database to manage the fees. It is estimated that the expense for the contractor is \$150,000.

The NDBF estimates that seven FTE would be needed, including four Senior Examiners, an Accountant III, an Attorney III and an Administrative Programs Officer I. The total cost for the personnel, including benefits and operating expenses, is \$785,970 for FY 2025-26. This includes the one-time contractor expense. The total cost for the personnel, including benefits and operating expenses, is \$861,006 for FY 2026-27.

There are currently 189 Money Transmitter licensees in Nebraska. Money transmission transactions through the end of the 3rd quarter 2024 totaled \$376,080,834. Based on this amount, it is anticipated that ten percent of the value of the money transmission transaction or (b) ten thousand dollars, whichever is less would approximately be \$134,000,000 annually.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 201	AM:	AGENCY/POLT. SUB: Department of Banking and Finance	
REVIEWED BY: Ryan Walton		DATE: 1/27/2025	PHONE: (402) 471-4174
COMMENTS: The Department of Banking and Finance's assessment of fiscal impact from LB 201, appears reasonable.			

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

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Date Prepared: ⁽⁴⁾ 01/21/2025

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	785,970	134,000,000	861,006	134,000,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB 201 would require Money Transmitter licensees or their authorized delegates to collect a fee for each money transmission transaction sent to a person outside the United States, in an amount equal to (a) ten percent of the value of the money transmission transaction or (b) ten thousand dollars, whichever is less. Fees collected are to be remitted quarterly to the Department of Banking and Finance (NDBF).

LB 201 would have significant impact on the operations of the NDBF Consumer Financial Services division. NDBF does not receive data from licensees on a quarterly basis that breaks down each transaction to calculate whether a transaction exceeds \$100,000 (triggering the max fee). If this bill would pass as written, we would need to collect this data on a quarterly basis from each of our licensees outside of the Money Services Businesses (MSB) call report filed in the Nationwide Multi-State Licensing System and Registry (NMLS). NMLS is an online licensing system created by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, that NDBF uses for processing license applications and the filing of reports and processing of fees.

Due to limitations of our current licensing system, we would be unable to collect the necessary information and conduct necessary timely audits of our licensees' information without additional administrative/examination/other staff. The additional information required by LB 201 would require Nebraska develop a separate reporting process, which would require additional operating expenses in FY 2025 to hire a consultant/developer to create a database to manage the fees. That expense is estimated at \$150,000.

NDBF is unable to meet these requirements with existing resources. To accomplish these duties, NDBF estimates the need for an additional seven FTE, including 4 Senior Examiners, an Accountant III, an Attorney III, and an Administrative Programs Officer I.

There are currently 189 Money Transmitter licensees in Nebraska. Transactions outside of the U.S. for 3rd quarter 2024 were reported as 1,147,848 transactions totaling \$376,080,834.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Senior Examiner	4	4	255,000	348,500
Administrative Program Officer I	1	1	32,799	44,825
Accountant III	1	1	45,991	62,854
Attorney III	1	1	57,642	78,777
Benefits.....			223,092	297,456
Operating.....			171,446	28,594
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				