



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **SB0377.01: Generally revise laws regarding the banking commission and the state auditor**

Primary Sponsor: Mark Noland Status: As Introduced

☐ Included in the Executive Budget ☒ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

| | <u>FY 2026 Difference</u> | <u>FY 2027 Difference</u> | <u>FY 2028 Difference</u> | <u>FY 2029 Difference</u> |
|-----------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenditures | | | | |
| State Special Revenue (02) | \$59,555 | \$0 | \$0 | \$0 |
| Revenues | | | | |
| State Special Revenue (02) | \$0 | \$0 | \$0 | \$0 |
| Net Impact | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| General Fund Balance | | | | |

Description of fiscal impact

SB 377 transfers the Division of Banking and Financial Institutions to State Auditors Office and then renames the State Auditor's Office to the Office of the Commissioner of Securities, Insurance, and Banking and Financial Institutions. Appropriations and FTE in the Banking Division will be transferred with no net fiscal impact. There are some costs associated with the physical move of the division.

FISCAL ANALYSIS

Assumptions

- The Division of Banking and Financial Institutions (BFID) will be transferred to the State Auditor's Office (SAO) and the SAO is renamed to the Office of the Commissioner of Securities, Insurance, and Banking and Financial Institutions.
- The revenue amounts used in this fiscal notes are the revenue estimates taken from the Internet Budget and Reporting System (IBARS).
- SB 377 would result in a transfer of \$5,117,817 in FY 2026, \$5,122,842 in FY 2027, \$5,199,684 in FY 2028 and \$5,277,680 in FY 2029.
 - These totals are derived from the most current budget amounts approved during executive action taken in the Joint Appropriations Subcommittee on General Government.
 - If the budget for the Division of Banking is subsequently changed in HB 2, this fiscal note would change accordingly.
- For FY 2028 and FY 2029, an inflation increase of 1.5% was included in expenditures.
- The transfer of 36.00 FTE from DOA to the SAO would occur in FY 2026, but expenses are ongoing.
- All funding is state special revenue.
- The net impact between the two agencies for the amounts listed above will be zero, with the SAO increases

Fiscal Note Request - As Introduced

(continued)

offsetting DOA decreases. However, there will be costs associated with physically moving BFID to the SAO.

8. The total cost estimate to move BIFD to the SAO is \$59,555, which will be incurred by the SAO in FY 2026 for the physical and digital move.
 - a. Cost to physically move BFID to the SAO building is estimated to be \$21,375 in FY 2026. This cost is based on a similar move that took place in FY 2024.
 - b. New business cards and name tags for employees will cost \$4,080.
 - c. The total IT costs to move and set up equipment are estimated to be \$34,100, which are broken down in assumptions I-III.

Fiscal Analysis Table

| | <u>FY 2026 Difference</u> | <u>FY 2027 Difference</u> | <u>FY 2028 Difference</u> | <u>FY 2029 Difference</u> |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>Fiscal Impact</u> | | | | |
| <u>Expenditures</u> | | | | |
| Operating Expenses | \$59,555 | \$0 | \$0 | \$0 |
| TOTAL Expenditures | <u><u>\$59,555</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| <u>Funding of Expenditures</u> | | | | |
| State Special Revenue (02) | \$59,555 | \$0 | \$0 | \$0 |
| TOTAL Funding of Expenditures | <u><u>\$59,555</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |
| <u>Revenues</u> | | | | |
| <u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures)</u> | | | | |
| State Special Revenue (02) | <u><u>(\$59,555)</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> | <u><u>\$0</u></u> |

NO SPONSOR SIGNATURE

Sponsor's Initials

Date

3/3



Budget Director's Initials

3/1/2025

Date