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 DATE PREPARED: January 27, 2011  
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**LB 215**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS	See Below		See Below	
OTHER FUNDS				
TOTAL FUNDS				

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

LB 215 requires a criminal history record information check for all persons and agents of the Department of Motor Vehicles (DMV) who are involved in recording application information or operator's license and state identification card information or the manufacture or production of licenses or cards or who have the ability to affect information on license or cards. The requirement for a record check is effective on the date required by the director of DMV, which is to be on or before January 1, 2014. The cost of a background check is borne by the employer of the person or agent.

The bill also requires DMV to retain copies of source documents presented by individuals applying for operator's licenses or state identification cards. The maintenance requirement is effective on the implementation date established by the director of DMV, which shall be on or before January 1, 2014. LB 215 also requires DMV to issue temporary drivers licenses and identification cards for non-citizens who are legally in the country.

Criminal Record Checks: The bill will have a fiscal impact for DMV and counties to pay for criminal history record checks for employees involved in the issuance of operator's licenses and state identification cards. The State Patrol processes the record checks and indicates the current fee for a criminal record check is \$38. The Patrol retains \$20 of the fee which is deposited in the State Patrol Cash Fund. The remaining \$18 is forwarded to the FBI.

DMV indicates that 120 - 130 current employees will need to have a record check prior to January 1, 2014. Thereafter, expenditures for record checks will be incurred annually for new employees involved in the issuance of licenses and cards. DMV will have cash fund expenditures in FY2011-12 of up to \$4,940 for the criminal record checks of current employees. Revenue for the State Patrol Cash Fund will increase by about \$2,600 in FY2011-12 from the fees paid by DMV for the record checks. It is assumed that both agencies can handle the provisions of the bill regarding criminal record checks with existing resources and appropriation authority for the agencies.

Counties will also incur expenses to pay for record checks of employees involved in the issuance of licenses and cards. The fiscal impact for counties is unknown but is projected to be minimal for each county.

Maintenance of Source Documents and Issuance of Temporary Licenses: The provisions of the bill requiring DMV to retain copies of source documents and make changes relative to the issuance of temporary licenses and identification cards will have a fiscal impact for DMV. The department intends to purchase and utilize a document imaging system in order to efficiently and securely maintain all of the source documents presented by individuals for licensing purposes. DMV indicates that federal funds received in 2009 from the Homeland Security Driver's License Security Grant program will likely be used to fund an a document imaging system and accommodate the changes in the issuance of temporary licenses.

No estimate is currently available for the cost of an imaging system. DMV projects that the amount of federal funds received by the state will be more than sufficient to cover the cost of such a system. However, there will be on-going unknown annual expenses to maintain and update the system. DMV estimates annual operating and maintenance costs will be 15% of the system acquisition cost. The department expects to begin implementation of the imaging system in FY2011-12.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David J. Spatz	DATE 1/28/11	PHONE 471-4179
COMMENTS			
NEBRASKA DEPARTMENT OF MOTOR VEHICLES: Concur with agency analysis relative to the Department of Motor Vehicles.			

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

LEGISLATIVE FISCAL

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of Estimate:

LB 215 provides for the adoption of the federal source list the applicants must use, issuance of temporary driver licenses and ID cards for non-citizens legally in the United States, provides for background checks of all covered employees, prohibits the holding of an operator's license and identification card at the same time, and authorizes DMV to retain images of source documents.

DMV has applied for and received a 2009 Federal Department of Homeland Security DLSGP (Driver's License Security Grant Program) in the amount of \$833,717. The grant will be used to pay for the changes in the "temporary" licenses and ID cards and pay for a statewide document imaging system to retain the source documents. A detailed cost estimate has not been completed on how much such a system would cost or when the funds would be needed.

There will be a need for additional appropriation in future years to provide for the maintenance and updating of the imaging system. Typically, 15% of the acquisition cost is allocated for such expenses.

POSITION TITLE	MAJOR OBJECTS OF EXPENDITURE			
	NUMBER OF POSITIONS		2011-2012	2012-2013
	11-12	12-13	EXPENDITURES	EXPENDITURES
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital Outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital Improvements	_____	_____	_____	_____
Total	_____	_____	<u>\$ -</u>	<u>\$ -</u>