

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$30,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$30,000	

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

LB 423 requires home inspectors to register with the Secretary of State and renew their registration each even numbered year.

Section 3 requires a registration fee in an amount not to exceed XX dollars to be paid to the Secretary of State. The fee shall be in an amount sufficient to cover the administrative costs of the program.

Section 7 provides an operative date of January 1, 2023.

The Secretary of State estimates a cost of \$30,000 in fiscal year 2023 to upgrade their licensing system to accommodate the new registrations. There is no basis to disagree with this estimate. In absence of a specified "not to exceed" dollar figure, the Secretary of State is unable to project the revenue that will be collected.

TECHNICAL NOTE: The dollar figure of "XX" in section 3 of the bill needs to be amended to reflect a dollar amount.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 423	AM:	AGENCY/POLT. SUB: Nebraska Secretary of State	
REVIEWED BY: Lucas Martin	DATE: 02/23/2021	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Secretary of State's assessment of fiscal impact.			

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

2021

LB⁽¹⁾ 423

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Secretary of State

Prepared by: ⁽³⁾ Joan Arnold Date Prepared: ⁽⁴⁾ 1/27/2021 Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	\$30,000	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	\$30,000	=====

Explanation of Estimate:

LB423 would require the Secretary of State to create and maintain a process to register home inspectors. Based on a vendor quote, adding this registry to our existing licensing system is estimated to cost \$30,000. Other than this system development cost, we anticipate that we can handle the registrations with existing staff resources.

LB423 does not provide for the amount of the registration fee that will be received by our office for these registrations, but it does indicate that the registration fee should defray the administrative costs of registration. We estimate there would be approximately 100 registrants. To offset the upfront \$30,000 development cost, an initial \$300 registration fee would defray our initial development costs. For the even-year renewals, a \$100 renewal fee would defray our ongoing costs, such as staff time, supplies, and technology fees. As the bill does not set forth the registration fee, we have not included the revenue related to the registration fee in the chart above. In addition, the bill does not specify which fund to deposit the registration fee into. We believe the intention would be to deposit the revenues into the Secretary of State Cash Fund but would suggest an amendment be made to clarify the funding structure for this registration process.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	\$30,000
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	\$30,000