

*Sandy*

PREPARED BY:  
DATE PREPARED:  
PHONE:

Sandy Sostad  
January 25, 2011  
471-0054

**LB 535**

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		\$500		\$250
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$500		\$250

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

LB 535 requires vendors to hold a limited lines insurance license to sell or offer coverage under a policy of portable electronics insurance. Applicants are to apply to the Department of Insurance (DOI) for a license. The initial license fee is to be prescribed by the director of the department, not to exceed \$1,000. Licenses are valid for two years. Renewal license fees shall not exceed \$500. The bill specifies requirements for vendors of portable electronics and their employees or authorized representatives. Any violation of the requirements is subject to a hearing and fines of up to \$500 per violation, or \$5,000 in the aggregate.

DOI indicates there may be about 10 licensees pursuant to the bill in the initial year with an upper limit of 15 licensees in the future. The department typically charges \$50 for business entity licenses, so it anticipates a like charge for entities licensed per the bill. Any workload increase or increased costs to implement LB 535 can be handled with the existing staff and resources of the department.

Any fines assessed pursuant to violations of the provisions of the bill will accrue to the Permanent School Fund. Minimal, if any, fiscal impact is projected from fines.

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

2011

LB<sup>(1)</sup> 535 FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Insurance

Prepared by: <sup>(3)</sup> Eric Dunning Date Prepared: <sup>(4)</sup> 01/26/11 Phone: <sup>(5)</sup> 471-4650

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	<u>\$500.00</u>	_____	<u>\$500.00</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 535 allows sellers of insurance coverage to be licensed under a limited lines license. The Department has been advised that there will be less than ten licensees in the first year, with an upper limit of 15 licensees in the future. Although the license fee permitted under the act is as high as one thousand dollars, the Department charges fifty dollars for business entity licenses in other areas and would anticipate a similar fee in this area. The Department does not believe there will be any cost associated with implementing the license that cannot be absorbed into the current agency budget.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	11-12	12-13		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____