

PREPARED BY: DATE PREPARED: PHONE:

Scott Danigole January 31, 2011 471-0055

# LB 90

# **Revision: 00 FISCAL NOT** LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *						
	FY 2011-12		FY 2012-13			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS						
CASH FUNDS			\$44,480	\$177,750 to \$711,000		
FEDERAL FUNDS	<b>a</b> :					
OTHER FUNDS						
TOTAL FUNDS			\$44,480	\$177,750 to \$711,000		

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

LB90 changes provisions of the Uniform Commercial Code.

Section 14 changes provisions related to the name of the debtor. The Secretary of State estimates this change will result in between 5 and 20% of existing financing statements being amended.

Section 23 provides that a security interest perfected prior to the operative date of the bill remains perfected only if the applicable requirements for perfection under the bill are satisfied within one year after the operative date. This section's provisions lead the Secretary of State to estimate that most filings will be amended before the bill's operative date or within one year after such date.

Based on the increased number of filings and associated fees, the Secretary of State estimates the need for one FTE to address the workload. In addition, the Secretary of State estimates between \$177,750 and \$711,000 of increased Cash Fund revenue. There is no basis to disagree with these estimates.

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## FISCAL NOTE LB90 Secretary of State

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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			44,480	177,750 - 711,000
Federal Funds				
Other Funds				
Total Funds			44,480	177,750 - 711,000

#### Explanation of Estimate:

LB 90 amends several provisions under Article 9 of the Uniform Commercial Code; including provisions relating to the filing of financial statements filed with the Secretary of State.

Section 14 amends provisions relating to the name of the debtor and specifically provides that the name of the individual debtor for purposes of the financial statement shall be the name on the individual's driver's license. All financial statements are indexed and searched according to the name of the debtor. Therefore, we estimate that between 5-20% of existing financing statements will be amended to change the name of the individual debtor in order to comply with Section 14 of the bill. Section 23 provides that a security interest perfected prior to the operative date of the bill remains perfected thereafter only if the applicable requirements for perfection under the bill are satisfied within one year after the operative date. Therefore, it is anticipated that most filings will be amended before the operative date of the bill or within one year after the operative date of the bill.

Section 20 of the bill removes the existing forms (UCC1, UCC1Ad, UCC3, UCC3Ad) set forth in statute and replaces them with new forms.

There are approximately 450,000 financing statements on file with our office. If 5-20% of existing financing statements are amended, we estimate a one-time increase in cash fund revenues between \$177,750 and \$711,000.

Data processing and programming charges to accommodate changes to the forms are estimated at \$11,200 (80 hours at \$140 per hour).

We anticipate requiring one full-time temporary employee to process the additional filings during fiscal year 2013. This would be a one-time cost as filings should revert back to a normal volume once corrections have been made. Current hourly rates for temporary help are approximately \$16 per hour so we estimate \$33,280 (\$16 at 2080 hours) of additional temporary wages during fiscal year 2013.

Total costs for fiscal year 2013:

Temporary wages - \$33,280 Data processing - 11,200

Total costs - \$44,480

### Major Objects of Expenditure

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	Number of Positions		FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
	1	Benefits		
		Operating		44,480
		Travel		
		Capital outlay		
		Aid		
		Capital improvements	· · · · · · · · ·	
		Total		44,480