

BDR 43-984 AB 302

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 30, 2023

Agency Submitting: Department of Motor Vehicles, Research and Project Management

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Card Fee Cost (Highway Fund) (Revenue)		\$24,687	\$738	\$1,476
Print Cost (Budget Account 4745 CAT 19) (Expense)		\$330	\$11	\$22
Contract Programmer Hours (Budget Account 4715 CAT 43) (Expense)		\$117,732		
Vendor Cost (Budget Account 4745 CAT 20) (Expense)		\$110,000		
Card Production Cost (Budget Account 4745 CAT 20) (Expense)		\$8,915	\$267	\$533
Card Production Cost (Budget Account 4745 CAT 20) (Revenue)		\$8,915	\$267	\$533
Total	0	(\$203,375)	\$727	\$1,454

Explanation

(Use Additional Sheets of Attachments, if required)

BDR 43-984 (AB302) requires the Department of Motor Vehicles (DMV) to issue a temporary limited-purpose identification (ID) card, to a deemed "ineligible" Nevada resident who does not hold a valid driver's license or identification card from any state or jurisdiction, as defined in section 3 of BDR 43-984 (AB302). Sections 1-6 become effective upon passage and approval for the administrative preparatory tasks and 1/1/2024 for all other purposes. The DMV has reviewed this bill and determined there will be an impact as written. Vendor changes will be needed to create a new ID card format to include new verbiage for "Temporary Limited-Purpose ID Card". A new transaction will need to be programmed into the DMV system for staff to process such transactions. DMV will create a new form to capture the attestation that the applicant does not hold a valid driver's license or identification card from any state or jurisdiction and has been deemed ineligible for the issuance or renewal of a DL, CDL or ID and believes this is based on inaccurate or insufficient information. DMV is currently engaged in its "transformation effort" (DTE), to revise business processes, reorganize, and move systems to a cloud solution, improving DMV services and allowing online transactions. DTE project delivery will continue into 2026 and involves over 100 staff and contractors. The proposed effective date will require programming, testing and implementation in the legacy system and DTE, creating more risk and work. Due to DTE, DMV is unable to absorb work for changes. Work completed will be done by new contract programmers and will delay implementation of DTE by 24 weeks and increase the final costs of DTE.

Name Angela Smith-Lamb

Title DMV Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Wednesday, March 29, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

BDR /Bill/ Amendment #: 43-984/AB302 Agency Name: **Department of Motor Vehicles**
Division Name: **RPM** Date: **3/23/2023**

Basis for Calculation:

(1) DMV is unable to determine the expected number of persons who meet the requirements of section 4 of BDR 43-984(AB302). However, a projection could be established based on the number of "Out of Compliance with State Law" by DPS' Sex Offender Public Website as of March 17, 2023 which totaled **2,661** as known sex offenders being tracked by the SOR who have not complied with the re-verification process or are known to reside in Nevada and have not registered as a sex offender.

(2) DMV card fee is \$9.00 for each card produced (Revenue Distribution-Highway Fund). This cost was applied to the total number of those known sex offenders who are "out of compliance with state law" (2,661) as the assumption of the number of Nevadans deemed "ineligible", as described in section 3 of BDR 43-984 (AB302) to determine the overall cost each fiscal year. DMV has projected the total number of future new cases by taking the existing data on the DPS' Sex Offender Public Website of March 17, 2023 of new SOR cases in the past month totaling 83 and prorating for a 12 month period. $83 \times 12 = 996/\text{year}$. Since **2,661** known sex offenders being tracked by the SOR who out of compliance (OOC) equates to 8.215% of the 32,391 total active and OOC offenders, then we can project that of the 996 new anticipated cases in a 12-month period, 8.215% of those cases would be OOC for a projection of 82 new OOC cases per year. Therefore, the following Loss of Revenue for Card Fee projections are:

FY 23/24 = 2661 OOC + 82 new OOC = 2,743 x \$9.00/each = \$24,687

FY 24/25 = 996 new cases x 8.215% (potential OOC) = 82 x \$9.00/each = \$738

FY 25/25 = 996 new cases x 8.215% (potential OOC) = 82 x \$9.00/each = \$738

FY 25/26 = 996 new cases x 8.215% (potential OOC) = 82 x \$9.00/each = \$738

(3) The costs bulk print of a new form is estimated at \$0.11 per page. Projection have been calculated based approximately 3000 in FY 23/24 and 100 each FY thereafter.

(4) 1,074 estimated programming hours performed by contract programmers, at a rate of \$109.62 per hour equals \$117,731.88 cost to program the CARRS application to modify create a Special ID card transaction to allow a modified expiration date and issuance for persons who meets the requirements of section 4 of BDR 43-984(AB302).

(5) Vendor costs will be incurred to make the necessary system enhancements to create this new "Temporary Limited-Purpose" ID card header the DMV currently does not issue. The estimated cost quote from the vendor is a one-time implementation cost of \$110,000.

(6) DMV card production fee is \$3.25 for each card produced. This cost was applied to the current 2,743 x \$3.25/each for FY 23/24 and the projected 82 new cases x \$3.25/each for the subsequent FY and Future Biennia.

(7) DMV card production fee of \$3.25 for the cost to produce each card (revenue). This revenue was applied to the projected number of new OOC cases per year.

Category	FY 22/23 (Based on FY22 Actuals)	FY 23/24	FY 24/25	Future Biennia (FY26 + FY27)
Revenue for Card Fee	\$ -	\$ 24,687.00	\$ 738.00	\$1,476
Form Expense		\$ (330.00)	\$ (11.00)	(\$22)
Contract Programmer Cost	\$ -	\$ (117,731.88)	\$ -	\$0
Vendor Cost		\$ (110,000.00)	\$ -	\$0
Card Production Cost- Expense (\$3.25/card)		\$ (8,914.75)	\$ (266.50)	(\$533)
Card Production Cost -Revenue (\$3.25/card)		\$ 8,914.75	\$ 266.50	\$533
		\$ -	\$ -	\$0
Totals	\$ -	\$ (203,375)	\$ 727	\$ 1,454