

**EXECUTIVE AGENCY  
FISCAL NOTE**

**AGENCY'S ESTIMATES**

Date Prepared: February 16, 2015

Agency Submitting: Department of Motor Vehicles, Management Services and Programs Division

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2014-15</b>	<b>Fiscal Year 2015-16</b>	<b>Fiscal Year 2016-17</b>	<b>Effect on Future Biennia</b>
Contract Programming (Expense)		\$121,700		
Regulations (Expense)		\$2,240		
Cost to issue Letter (Expense)		\$139	\$141	\$286
Issuance Fee (Revenue)		\$139	\$141	\$286
Total	0	(\$123,940)	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

BDR 43-609 section 1 requires the Department to issue a Letter of Abandonment to a private property owner who meets certain criteria to dispose of an abandoned recreational vehicle. The Department may charge and collect a fee for the issuance of a Letter of Abandonment, not to exceed the cost of issuance, which is estimated at \$1.75.

The proposed implementation date of July 1, 2015 cannot be met as a result of the estimated programming hours needed to complete the requirements. Due to the Department's existing priorities and mandates, funding for a computer systems Master Service Agreement programmer(s) is included in this fiscal note. The estimated contract programming hours are 1,217 at \$100 per hour. The contract programming is a one-time cost. Regulations to establish the issuance fee would also be required for this bill.

Name Cyndie Munoz

Title Deputy Chief of Administration

**DEPARTMENT OF ADMINISTRATION'S COMMENTS**

Date Monday, February 09, 2015

The agency's response appears reasonable.

Name Julia Teska

Title Director

**Basis for Calculations Using the Following Assumptions and Methodology**

1. The number of Letters of Abandonment to be processed is estimated by calculating the percent of titles processed in FY14 and FY15 annualized that were recreational vehicles, multiplied by the number of lien sales processed in the same period.
2. The cost to issue a Letter of Abandonment is based on the average time to process a title transaction plus the cost of printing, folding, envelopes and postage. The time to process a transaction is based on the average time of four (4) minutes to process a transaction by a Title Technician.
3. The estimated fee for the issuance of a Letter of Abandonment is based on the cost of issuance.

<b><u>Cost to Program the CARRS Application</u></b>			
<b>Title</b>	<b>Hourly Wage</b>	<b>Programming Hours</b>	<b>Programming Cost FY 16</b>
Contract Programmer Cost	\$100.00	1,217	\$121,700

<b><u>Summary of Totals</u></b>				
<b>Category</b>	<b>FY 14/15 (Based on FY14 Actuals)</b>	<b>FY 15/16</b>	<b>FY 16/17</b>	<b>Future Biennia (FY18 + FY19)</b>
<b>Expense: Regulations</b>	\$ -	(\$2,239.50)	\$ -	\$ -
<b>Expense: Contract Programming</b>	\$ -	(\$121,700)	\$ -	\$ -
<b>Expense: Cost to issue Letter of Abandonment</b>	\$ -	\$ (139.16)	\$ (140.98)	\$ (286.06)
<b>Revenue - Letter of Abandonment Issue Fee</b>	\$ -	\$ 139.44	\$ 141.26	\$ 285.65
<b>Totals</b>	\$ -	(\$123,939.22)	\$ 0.28	\$ (0.41)