

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 785 eliminates the requirement for the Department of Motor Vehicles (DMV) to provide driver testing in every county and authorizes DMV to move to an alternate method of issuing motor vehicle operator’s licenses. Currently, counties provide office space for DMV examiners and counties collect driver license fees. Counties also retain a portion of the fee collected for an operator’s license. The bill authorizes DMV to collect operator’s license fees and issue licenses as determined by the department.

DMV: The bill has no definite fiscal impact for DMV. If the department opts to move examining stations from county offices, then the agency will have increased costs for office space and support. However, depending upon decisions made relative to changes in examining stations, the agency may also have a savings in personnel and travel expenses. If the department issues licenses in some counties, revenue will increase for the agency because LB785 requires the county portion of the operator’s license fee to be placed in the DMV Cash Fund. The actual fiscal impact of the bill cannot be determined until the department develops a plan and budget for the reconfiguration of examining stations.

Counties: Some counties may have decreased expenses to house DMV examining staff if the state takes over the issuance of licenses. There will also be a decrease in revenue for affected counties because the county portion of the operator’s license fee will be placed in the DMV Cash Fund in instances where the department issues licenses and collects license fees.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB:785	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY: Lee Will		DATE: 1/22/2016	PHONE: 471-4175
COMMENTS: No basis to disagree with the Department of Motor Vehicle’s assessment of fiscal impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB:785	AM:	AGENCY/POLT. SUB: Lancaster County Treasurer – Motor Vehicle Services	
REVIEWED BY: Lee Will		DATE: 1/14/2016	PHONE: 471-4175
COMMENTS: Disagree with the fiscal impact identified by the Lancaster County Treasurer based on the assumption that revenue derived from fees associated with motor vehicle titling, registration, and driver’s license issuance would no longer be collected by the County. The language provided in the bill does not indicate that the County would cease to receive revenue generated from these activities.			

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken

Date Prepared:

21-Jan-16

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-2017</u>		<u>FY 2017-2018</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of Estimate:

LB 785 changes provisions of the Motor Vehicle Operator's Act. This enabling legislation would eliminate the provision to test in every county and allow the DMV to operate examination stations independently of the county. In return the county would no longer be required to provide space for the examination station and personnel to collect the fees. DMV would retain the fees associated with the license issuance in those counties.

LB 785 only enables DMV, at its discretion, to take over the entire driver license examination and issuance process. There is not a requirement that DMV take over any specific county or all counties. Any additional appropriation necessary to implement the plan will be requested through the biennium budget process.

<u>POSITION TITLE</u>	<u>MAJOR OBJECTS OF EXPENDITURE</u>		<u>FY 2016-2017</u>	<u>FY 2017-2018</u>
	<u>NUMBER OF POSITIONS</u>		<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital Outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____

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

2016

LB⁽¹⁾ 785

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lancaster County Treasurer-Motor Vehicle Services

Prepared by: ⁽³⁾ Don Arp

Date Prepared: ⁽⁴⁾ 1-12-2016

Phone: ⁽⁵⁾ 402-441-6487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$346,549.12	\$202,399.50	\$360,411.08	\$0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate: Lancaster County built and maintains two facilities to support our service required by statute in motor vehicle titling and registration and driver's license issuance, significant cost to our office is encumbered each year by our requirement to provide space for drivers testing at no cost. While rent, personnel costs and support costs have risen, the current commission paid to our office for fee collection and temporary license issue has not kept pace with our cost. While the plan for regional testing office supported by the examiners collecting the fees does not clearly indicate the DMV's intention with the larger counties who have significant investment in personnel and structures; and final impact can only be determined when we know if their plan is new construction of testing site separate from the current suitable available locations or a lease back of their current space in county facilities. Currently the fees cause an operational shortage of about \$144,000.00 short for our office that could balloon to a projection for \$360,411.078 for FY 2017-18 by loss of the commission currently paid; assuming no implementation for this plan could take effect until the 2017-18. Such a budget shortage would require budgetary adjustments relating to staff and facilities.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				