

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	3,652,275	3,739,479	6,941,543	7,053,543
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	3,652,275	3,739,479	6,941,543	7,053,543

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

LB 362 eliminates the park entry permit for residents and replaces it with a \$7 registration fee on non-exempt motor vehicles and trailers. Non-residents would still be required to purchase a park entry permit. The bill becomes operative on January 1, 2014.

Game and Parks Commission impact:

The estimated **net increase in revenue to the State Park Cash Revolving Fund in calendar year 2014 will be \$6,814,434**. On a fiscal year basis the net increase in revenue will be \$3,611,650 in FY2013-14, and \$6,941,543 in FY2014-15. This is based on the following assumptions provided by the Commission and appear reasonable.

The revenue loss to the State Park Cash Revolving Fund from the elimination of resident park entry permits is \$4,937,205 in calendar year 2014. The estimated increase in revenue from the \$7 registration fee during this same time period is \$11,991,469. However, for 2014 only, 2% of this revenue will be deposited into the Department of Motor Vehicles Cash Fund to support implementation costs, so the Game and Parks Commission will actually receive \$11,751,640 in 2014 after deducting the 2%.

All of this additional funding will be spent on the State Park System per the statutory requirements on the use of the State Park Cash Revolving Fund. The Commission has indicated that the majority will be spent on capital improvements. Please see their attached fiscal note for details.

Department of Motor Vehicles impact:

The estimated **increase in revenue to the Department of Motor Vehicles Cash Fund in calendar year 2014 will be \$239,829**. On a fiscal year basis the net increase in revenue will be \$127,829 in FY2013-14, and \$112,000 in FY2014-15. This additional one-time revenue during calendar year 2014 is from the 2% diversion of money from the \$7 registration fee.

The bill states that this revenue shall be used for point-of-collection activities associated with implementing the new \$7 registration fee. The Department has estimated that their implementation costs will be \$40,625 in FY2013-14 to modify the Vehicle Titling and Registration (VTR) computer program. It is unclear in section 9 what is to happen to the \$199,204 not needed by the Department to meet their costs, since the language does not appear to allow the use of these funds for anything else.

Political Subdivision impact:

A request for a fiscal note was made to Lancaster County to get a sample of the potential impact on political subdivisions. Their response indicates that their cost to collect the new \$7 registration fee will be \$1 per registration for a total yearly cost of \$237,302. Per their fiscal note, expenses included in the \$1 per registration cost are staff labor for accounting, additional printing costs, and banking fees.

It is unknown what the cost will be statewide to political subdivisions since only one county was sampled. The cost for other counties to collect this new fee may range from negligible to that estimated by Lancaster County.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES

LB: 362 AM: AGENCY/POLT. SUB: Nebraska Game & Parks Commission

REVIEWED BY: Cindy Miserez DATE: 2/5/2013 PHONE: 402-471-4174

COMMENTS: The fiscal impact to the Nebraska Game & Parks Commission is one of increased revenue and a small reduction in operating expenses for the printing of the current park permit document. LB362 does not identify any additional duties or responsibilities for the Nebraska Game & Parks Commission that increases costs. LB362 does not require the Nebraska Game & Parks Commission to increase the level of expenditure from the current appropriation expressed in the current FY2013 base appropriation or the 2013-2015 biennium budget and therefore, does not require an A-bill. To request an increase in expenditures, the Nebraska Game & Parks Commission should utilize the mid-biennium budget process for FY2013-14 and FY2014-15 and the biennium budget process for 2015-2107. The fiscal impact of not providing park entry permits to in-state vehicles is estimated by NGPC to result in a savings of \$26,331; 70% cash funds: \$18,432; 30% General Fund: \$7,899. Therefore, General Fund appropriation can be reduced by \$7,899 and cash fund appropriation can be reduced by \$18,432 in FY2013-14 and FY2014-15. Using the same 30% General Fund and 70% cash fund ratio of park administration and operations, the net increase in cash fund revenue allows for a reduction of General Fund appropriation by \$1,083,495 in FY2013-14 and \$2,082,463 in FY2014-15. That reduction in General Fund Appropriation may be offset by an increase in cash fund appropriation by the same amount resulting in no impact of the cash fund revenue increase to the overall appropriation base.

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2013

LB⁽¹⁾ 362 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Game and Parks Commission (Agency 33)

Prepared by: (3) Patrick H. Cole Date Prepared: (4) 1/22/2013 Phone: (5) 402-471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>3,611,650</u>	<u>3,611,650</u>	<u>6,941,543</u>	<u>6,941,543</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>3,611,650</u>	<u>3,611,650</u>	<u>6,941,543</u>	<u>6,941,543</u>

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

Explanation of Estimate:

The proposed legislation would replace the current park entry permit system for Nebraska residents with a seven dollar fee for each non-exempt motor vehicle and trailer registration issued. Nonresidents, i.e. vehicles not registered in Nebraska, would still be subject to an annual or daily park entry permit purchase.

Park entry permit sales revenue for 2012 totaled \$5,529,930 (\$3,498,100 annual; \$822,500 duplicate annual; and \$1,209,330 daily). An exact amount attributable for nonresidents is unknown. Based on a data sample (30,408) from the permit system, it appears that approximately 3% of the Annual, 2% of Duplicate Annual permits and 38% of dailies are sold to nonresidents. Using these estimates and assuming no change in the current price structure, i.e. \$25 Annual, \$12.50 Duplicate Annual and \$5 Daily; approximately \$592,725 could still be derived from Park Entry Permit sales (nonresidents only).

The cost for producing 2013 park permits totaled \$36,331.25 (\$20,317.50 Annual; \$6,545 Duplicate Annual and \$9,468.75 for Daily). Since distribution of adequate numbers to potential sale sites is a factor, the amount of permits ordered is in excess of anticipated sales. To accommodate nonresident sales, and factor in impact of scale it is estimated that as much as \$10,000 may still need to be spent for sticker production unless Daily's were computer generated paper only, then cost could be closer to \$2,000. Any savings would be applied toward other operating expenses within the park system.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	<u>211,650</u>	<u>441,543</u>
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	<u>3,400,000</u>	<u>6,500,000</u>
TOTAL.....	_____	_____	<u>3,611,650</u>	<u>6,941,543</u>

Since the LB provides for some exemptions to the seven dollar fee for each certificate of registration for motor vehicles and trailers, the Department of Motor Vehicles (DMV) was contacted to obtain an estimate of the number of registrations affected. The chart on page 3 is based on 2012 registrations. A few of the exemptions were not readily identifiable in the current DMV categorizations so the numbers are somewhat inflated. Exemptions for “truck-tractors and semitrailers registered under section 60-3,150, ambulances and hearses registered under section 60-3152, and taxicabs registered under section 60-3,154” may need clarification for administrative purposes. For the other exemptions that were easily identifiable, the quantity is blank (and highlighted in yellow).

Based on the information provided by DMV, an estimated 1,713,067 vehicles and trailers could be subject to the fee each year with an expected \$11,991,469 in revenue. For the initial year, 2014, 2% or \$239,829 would be credited to the Department of Motor Vehicles Cash Fund and 98% or \$11,751,640 would be credited to the State Park Cash Revolving Fund. After 2014, the entire amount would be credited to the State Park Cash Fund.

Both vehicle registrations and park entry permit sales patterns indicate that 53.3% of activity occurs prior to June 30 and 46.7% after.

The following chart summarizes estimated NET changes in revenue (FY14 \$3,611,650 and FY 15 \$6,941,543):

	2012 QTY	PRICE	TOTAL ALL \$	NONRES est	2012 NR QTY est	Total NR \$	
Annual Park	139,924	\$ 25.00	\$ 3,498,100.00	3%	4,745	\$ 118,629.18	
Daily Park	241,866	\$ 5.00	\$ 1,209,330.00	38%	91,100	\$ 455,501.20	
Duplicate Park	65,800	\$ 12.50	\$ 822,500.00	2%	1,487	\$ 18,593.62	
	447,590		\$ 5,529,930.00			\$ 592,724.01	
CHANGE IN PARK PERMIT REVENUE = Total NR-TOTAL ALL 2014 est						\$ (4,937,205.99)	
FY 14 (53%)						\$ (2,616,719.18)	
FY 15 (100%)						\$ (4,937,205.99)	
VEHICLE REGISTRATIONS (est from DMV)							
	2012 QTY	PRICE	Total ALL \$	2014 DMV 2%	DMV Total	NET REV CHANGE (DMV + Park Permit)	
Registrations	1,713,067	\$ 7.00	\$11,991,469.00	\$ 239,829	\$11,751,640	\$6,814,434	2014
		FY 14 (53%)	\$ 6,355,478.57	\$ 127,110	\$6,228,369	\$3,611,650	FY 14 (53%)
		FY 15 (100%)	\$11,991,469.00	\$ 112,720	\$11,878,749	\$6,941,543	FY 15 (100%)

The anticipated increase in revenue would provide the Nebraska Game and Parks Commission increased capability to address a backlog of deferred maintenance needs within the State Park system (estimated needs over \$30 million), as well as address the needs of modifying and retrofitting many of the facilities to meet the Americans with Disabilities Act (ADA) requirements. Additionally some monies would be applied toward ongoing operational needs to include replacement of aging vehicles and equipment and addressing minor facility maintenance needs such as painting, carpet and furniture replacement. The following is the proposed “A-bill” request:

PROGRAM	FY 14	FY 15
901 Deferred Maintenance	\$2,400,000	\$3,500,000
549 Operational expenses	\$211,650	\$441,543
978 Facility Improvement for ADA	\$1,000,000	\$3,000,000
	\$3,611,650	\$6,941,543

TOTAL "AFFECTED" VEHICLES REGISTERED IN 2012		1,713,067	
Estimated number not exempt (based on DMV interpretation of LB 362)			
PASSENGER		TRAILER	
Regular	1,078,645	Utility	
Amateur Radio	1,258	Farm	72,448
Low Speed Vehicle	9	Fertilizer	22,329
Message	37,658	Commercial	
Spirit	2,303	Pole & Reel	335
Spirit Message	8,478	Non-Resident	227
Gold Star	48	Semi	
Gold Star Message	85	Message Utility	
Organizational	1,402	Spirit Message Utility	
Non-Resident		Organizational Utility	
Handicapped	7,372	Message Farm	5
Antique		Spirit Message Farm	2
Vintage		Message Commercial	
Ex-Prisoner of War (ex-pow)	44	Spirit Commercial	
Pearl Harbor Survivor	4	Spirit Message Commercial	
Disabled American Veteran	1,211	Organizational Commercial	
Purple Heart	916	Spirit Message Pole & Reel	1
Thirty Day	61	Message Semi	
TOTAL	1,139,494	Spirit Message Semi	
MOBILE HOME		Apportioned Trailer Units	
Recreational	34,183	TOTAL	95,347
Self-Propelled	7,374	DEALER	
Message Recreational	93	Passenger	10,563
Message Self-Propelled	167	Personal Use	343
Spirit Self-Propelled	8	Motorcycle	381
Spirit Message Recreational	8	Trailer	552
Spirit Message Self-Propelled	35	Snowmobile	
Organizational Recreational	1	Boat Dealer Trailer	87
Organizational Self-Propelled	1	Repossession	70
TOTAL	41,870	Transporter	1,967
BUS		TOTAL	13,963
Non-Commercial	2,033	TRUCK	
School		Commercial	349,791
Commercial	656	Farm	
Non-Resident	78	Non-Resident Commercial	1,185
Local	72	Local	
Organizational Commercial	1	Minitruck	158
TOTAL	2,840	Message Commercial	10,446
GOVERNMENT		Spirit Commercial	604
Municipal		Spirit Message Commercial	2,351
County		Gold Star Commercial	15
State		Gold Star Message Commercial	17
School District		Organizational Commercial	221
Municipal Motorcycle		Message Farm	
County Motorcycle		Spirit Farm	
State Motorcycle		Spirit Message Farm	
TOTAL	0	Gold Star Farm	
MOTORCYCLE		Gold Star Message Farm	
Regular	51,928	Organizational Farm	
Non-Resident		Special Mobile Equipment (SME)	
Message	2,340	Soil & Water	
Spirit	8	Farm Semi - Tractor/Trailer	
Spirit Message	155	10% Reduction	221
Gold Star	5	Film Vehicle	41
Gold Star Message	11	Apportioned Power Units	
Organizational	5	TOTAL	365,050
Antique		TAX EXEMPT	
Handicapped	51	TOTAL	
Vintage		SNOWMOBILE	
TOTAL	54,503	TOTAL	

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken Date Prepared: 06-Feb-13 Phone: 471-3902 Fax: 471-9594
 Email: gary.ryken@nebraska.gov

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2013-2014		FY 2014-2015	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$ 40,625	\$ 127,829		\$ 112,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 40,625	\$ 127,829	\$ -	\$ 112,000

Explanation of Estimate:

LB 362 adds seven dollars (\$7) to certain motor vehicle registrations and distributes the fee to the State Park Cash Revolving Fund and 2% to the DMV Cash Fund for calendar year 2014. After FY15, 100% of the fee is distributed to the State Park Cash Fund.

The bill will require modifications to the Vehicle Titling and Registration (VTR) computer program. The bill exempts certain vehicle types from the fee totaling approximately 455,322 not including commercial truck-tractors, ambulances, hearses, and taxis. These four vehicle types are not currently required to be identified separately in the database. It is estimated that 500 hours of programming and testing will be required to make the necessary changes to the system and database.

Computer Programming 500 hrs. @ 81.25/hr. \$ 40,625

LB 362 allows for the distribution of 2% of the \$7 fee to the DMV Cash Fund for calendar year 2014.

	Registration:	Fee	Total Collected
Estimated Revenue	1,713,067	\$ 7	\$ 11,991,469
	FY14		FY15
2% Redirection to DMV Cash Fund	\$ 127,829		\$ 112,000

MAJOR OBJECTS OF EXPENDITURE				
POSITION TITLE	NUMBER OF POSITIONS		FY 2013-2014	FY 2014-2015
	13-14	14-15	EXPENDITURES	EXPENDITURES
Benefits				
Operating			\$ 40,625	
Travel				
Capital Outlay				
Aid				

Capital Improvements

Total

.....
.....

\$ 40,625

\$ -

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

2013

LB⁽¹⁾ 362 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Lancaster County Treasurer’s Office

Prepared by: (3) Don Arp, DMV Manager Date Prepared: (4) 01/24/13 Phone: (5) 402-441-6487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$237,302</u>	<u></u>	<u>\$237,302</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$237,302</u>	<u></u>	<u>\$237,302</u>	<u></u>

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

Explanation of Estimate:

237,302 registrations X \$1 per registration collection cost for additional and expenses related to Section 8 (4). Expenses would include staff labor for accounting, additional printing costs, and banking fees. Department processes in excess of 270,000 registrations annually. A percentage of vehicle registrations were excluded in the above because of the type of vehicle was exempt in the legislation.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	<u></u>	<u></u>	<u></u>	<u></u>
Operating.....	<u></u>	<u></u>	<u></u>	<u></u>
Travel.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital outlay.....	<u></u>	<u></u>	<u></u>	<u></u>
Aid.....	<u></u>	<u></u>	<u></u>	<u></u>
Capital improvements.....	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL.....	<u></u>	<u></u>	<u></u>	<u></u>