

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		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 796 changes the disposition of the \$45 fee for an ignition interlock permit. Current law provides that \$5 of the fee is allocated to the Department of Motor Vehicles (DMV) Cash Fund and \$40 is remitted to the Department of Motor Vehicles Ignition Interlock Fund. The bill retains the \$5 allocation to the DMV Cash Fund but reduces the allocation to the DMV Ignition Interlock Fund to \$15. The remaining \$25 of the fee is to be allocated to the Violence Prevention Cash Fund.

Revenue: The bill will result in an estimated annual decrease of \$100,000 of revenue for the DMV Ignition Interlock Fund and like increase in revenue for the Violence Prevention Cash Fund, assuming an average of 4,000 ignition interlock permits are issued in FY19 and FY20. The actual number of permits issued is difficult to predict because after three years of growth in the number of permits issued, there was a 6% decrease in FY17 and there appears to be a decrease in the current year.

Expenditures: DMV utilizes the Ignition Interlock Fund to pay the cost of installing, removing or maintaining an ignition interlock device for an indigent person. Annual expenditures from the fund are estimated to be \$42,000 in FY19 and \$44,000 in FY20. Annual revenue to the fund has consistently been in excess of \$180,000, but is estimated to be \$160,000 based on the recent decline in ignition interlock applicants. So, revenue to the fund has consistently been in excess of expenditures.

Lapses to General Fund: The Legislature lapsed \$200,000 of cash funds from the Ignition Interlock Fund to the General Fund in FY14 through FY17. An additional \$400,000 is to be lapsed to the General Fund in FY18 and \$150,000 in FY19. Current law also provides for \$25,000 to be transferred from the Ignition Interlock Fund to the Violence Prevention Cash Fund in FY18 and FY19.

Because of the decline in the number of ignition interlock permits issued and the lapses and transfers authorized by the Legislature, the Ignition Interlock Fund will be in a deficit situation at the end of FY19. The fund will be short an estimated \$50,000. If LB 796 is effective in FY19, then the fund will be about \$150,000 short of meeting obligations.

The Appropriations Committee will review an issue to eliminate part of the lapse to the General Fund or transfers to the Violence Prevention Cash Fund in the current biennium. If the shortfall in the fund is addressed, then the bill could be implemented beginning in FY2019-20 without impacting the aid available for indigent persons to obtain an ignition interlock device.

ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 796	AM:	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles	
REVIEWED BY: Lee Will	DATE: 01/11/2018	PHONE: (402) 471-4175	
COMMENTS: Concur with the Nebraska Department of Motor Vehicles' assessment of fiscal impact.			

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

2018

LB⁽¹⁾ 796 REVISED

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ 1/8/2018 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(107,087)		
CASH FUNDS				(107,087)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(107,087)		(107,087)

Explanation of Estimate:

This legislation would reduce the revenue for the DMV Ignition Interlock Fund by an average of \$107,087 annually in reducing the fee collected by the DMV for an ignition interlock permit from \$40 to \$15. During FY 2017, the fund collected \$171,340, which would be estimated to be reduced to \$64,253.

With this reduction in ongoing revenue, the fund cannot support the \$150,000 transfer to the General Fund which is scheduled to occur in FY 2019 under current law.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2018-19 EXPENDITURES	2019-20 EXPENDITURES
	18-19	19-20		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				