

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		\$259,834		\$283,455
CASH FUNDS	\$9,928	\$482,502		\$526,366
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$9,928	\$742,336		\$809,821

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

LB 765 increases title fees for motor vehicles, trailers, all-terrain and utility-type vehicles and minibikes which are titled in the state from another state or country. The title fee is increased from \$10 to \$25. The bill increases the amount of the title fee provided to various entities and also provides a new allocation of \$1.00 of the fee to the Department of Health and Human Services to use for programs for persons suffering from a brain injury.

Expenditures: The Department of Motor Vehicles will need to modify the Vehicle Title Registration System to accommodate the fee for out of state vehicles titled in the state. The estimated one-time expense for computer programming is \$9,928 of cash funds in FY17.

Revenue: The following table shows the annual estimated increase in title fee revenue using the number of titles issued for vehicles from out of the state or country by counties (113,382) and the DMV (10,525) in 2014. It is unknown whether an increase in the fee to title a vehicle will impact the number of vehicles titled in the state. The revenue increase in FY17 reflects eleven months of revenue.

Entity	Current Title Fee	LB 765 Title Fee	Fee Increase	Current Revenue	LB 765 Revenue	Est. Revenue Increase
County Issued Titles (113,382)						
County	3.25	12.50	9.25	368,492	1,417,275	1,048,784
DMV Cash Fund	4.00	6.00	2.00	453,528	680,292	226,764
General Fund	2.00	4.50	2.50	226,764	510,219	283,455
Motor Vehicle Fraud Fund	0.20	0.25	0.05	22,676	28,346	5,669
NE State Patrol Cash Fund	0.45	0.65	0.20	51,022	73,698	22,676
NE Motor Vehicle Industry Licensing Fund	0.10	0.10	0.00	11,338	11,338	0
Health & Human Services Cash Fund	0.00	1.00	1.00	0	113,382	113,382
Total	10.00	25.00	15.00	\$1,133,820	\$2,834,550	\$1,700,730
DMV Issued Titles (10,525)						
DMV Cash Fund	4.00	10.00	6.00	42,100	105,250	63,150
Motor Carrier Division Cash Fund	6.00	14.00	8.00	63,150	147,350	84,200
Health & Human Services Cash Fund		1.00	1.00	0	10,525	10,525
Total	\$10.00	\$25.00	\$15.00	\$105,250	\$263,125	\$157,875
Total Revenue Increase By Entity						
County						1,048,784
DMV Cash Fund						289,914
General Fund						283,455
Motor Vehicle Fraud Fund						5,669
NE State Patrol Cash Fund						22,676
NE Motor Vehicle Industry Licensing Fund						0
Motor Carrier Division Cash Fund						84,200
Health & Human Services Cash Fund						123,907
Total Revenue Increase						\$1,858,605

The bill increases revenue for the Department of Health and Human Services (HHS) by an estimated \$123,907 per year. The revenue is to be used for programs for persons suffering from a brain injury. HHS has not implemented programs for persons with brain injuries due to a lack of funding. The department proposes to use funds generated by the bill to hire a .5 Health Data Coordinator for the program to begin implementation. If the bill passes, it is assumed HHS will request the authorization to use revenue pursuant to LB 765 in the next budget cycle.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 765	AM:	AGENCY/POLT. SUB: Department of Health and Human Services
REVIEWED BY: Lee Will	DATE: 1/21/2016	PHONE: 471-4175
COMMENTS: The agency's estimate appears to be reasonable given the assumptions used.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB:765	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Lee Will	DATE: 1/14/2016	PHONE: 471-4175
COMMENTS: No basis to disagree with the estimate provided by the Department of Motor Vehicles.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB:765	AM:	AGENCY/POLT. SUB: Nebraska State Patrol
REVIEWED BY: Lee Will	DATE: 1/19/2016	PHONE: 471-4175
COMMENTS: The Nebraska State Patrol's estimate appears to be reasonable given the assumptions used.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB:765	AM:	AGENCY/POLT. SUB: Lancaster County Treasurer
REVIEWED BY: Lee Will	DATE: 1/15/2016	PHONE: 471-4175
COMMENTS: The Lancaster County Treasurer's estimate appears to be reasonable given the assumptions used.		

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Pat Weber

Date Prepared:(4) 1-8-16

Phone: (5) 471-6351

	<u>FY 2016-2017</u>		<u>FY 2017-2018</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$124,000	\$124,000	\$124,000	\$124,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$124,000	\$124,000	\$124,000	\$124,000

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

Explanation of Estimate:

LB 765 increases the original certificate of title fees by \$25.00 for vehicles transferred to Nebraska from another state or country and distributes those fees accordingly: Retained by the county - \$12.50; Department of Motor Vehicles Cash fund - \$6.00; General Fund - \$4.50; Department of Health and Human Services programs for those suffering from a brain injury \$1.00; Motor Vehicle Fraud Cash Fund - \$0.25; Nebraska State Patrol Cash Fund - \$0.75. The allocation of funding to the Department of Health and Human Services is to be used for programs for persons suffering from a brain injury. The Department of Motor Vehicles estimates 124,000 title transfers each year that would be impacted by this bill. As a result, the Department of Health and Human Services would receive \$124,000 in revenue each year.

The Department would use the funding to implement the requirements as outlined in Section 81-662 of the Nebraska Revised Statutes. This Statute has not been implemented to date due to a lack of funding. The Department would need 0.5 FTE Health Data Coordinator to oversee the project, with the remaining funding used to support the administrative work of implementing the law.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2016-2017	2017-2018
		16-17	17-18	EXPENDITURES	EXPENDITURES
Health Data Coordinator		0.50	0.50	\$25,430	\$25,430
Benefits.....				\$8,271	\$8,271
Operating.....				\$90,299	\$90,299
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$124,000	\$124,000

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken

Date Prepared: 01/13/16

Phone: 471-3902

Fax: 471-3920

Email: gary.ryken@nebraska.gov

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2016-2017		FY 2017-2018	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GEN. FUNDS		\$ 259,834		\$ 283,455
CASH FUNDS	\$ 9,928	\$ 482,502		\$ 526,367
FED. FUNDS				
COUNTY FUNDS		\$ 961,385		\$ 1,048,784
TOTAL FUNDS	\$ 9,928	\$ 1,703,721	\$ -	\$ 1,858,605

Explanation of Estimate:

LB 765 will increase the fees for titles transferred to Nebraska from another state or country. Modifications to the VTR computer system will be needed to create this second tier of titles. It is estimated that 110 hours of computer programming will be necessary.

	Hours	Rate	Total
Computer Programming	110	\$ 90.25	\$ 9,928

Revenues

	County	DMV Cash	State			MCS	Total
			General	Other	HHS Cash		
Titling Fee Distribution							
Current County Issued	\$ 3.25	\$ 4.00	\$ 2.00	\$ 0.75			\$ 10.00
Current DMV Issued		\$ 4.00				\$ 6.00	\$ 10.00
New Out of State Co. Issue	\$ 12.50	\$ 6.00	\$ 4.50	\$ 1.00	\$ 1.00		\$ 25.00
New Out of State DMV Issued		\$ 10.00			\$ 1.00	\$ 14.00	\$ 25.00

Titles Issued 2014

County Issued	113,382
DMV Issued	10,525
	<u>123,907</u>

Fiscal impact of new fees follows on page 2.

MAJOR OBJECTS OF EXPENDITURE

POSITION TITLE	NUMBER OF POSITIONS		FY 2016-2017 EXPENDITURES	FY 2017-2018 EXPENDITURES
	16-17	17-18		
Benefits				
Operating			\$ 9,928	
Travel				
Capital Outlay				
Aid				
Capital Improvements				

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken Date Prepared: 1/13/16 Phone: 471-3902 Fax: 471-3920
 Email: gary.ryken@nebraska.gov

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Annual Out of State Titles Issued

Number of County Issued	113,382
Number of DMV Issued	10,525
	<u>123,907</u>

	County		State					
Current Fees	General Fund	DMV Cash Fund	General	Other*	MCS Fund	HHS Cash		Total
County Issued	\$ 3.25	\$ 4.00	\$ 2.00	\$ 0.75				\$ 10.00
DMV Issued		\$ 4.00			\$ 6.00			\$ 10.00
Proposed Fees								
County Issued	\$ 12.50	\$ 6.00	\$ 4.50	\$ 1.00		\$ 1.00		\$ 25.00
DMV Issued		\$ 10.00			\$ 14.00	\$ 1.00		\$ 25.00

Revenue with Current Fees

County Issued	\$ 368,492	\$ 453,528	\$ 226,764	\$ 85,037	\$ -	\$ -	\$ 1,133,820
DMV Issued	\$ -	\$ 42,100	\$ -	\$ -	\$ 63,150	\$ -	\$ 105,250

Revenue with Proposed Fees

County Issued	\$ 1,417,275	\$ 680,292	\$ 510,219	\$ 113,382	\$ -	\$ 113,382	\$ 2,834,550
DMV Issued	\$ -	\$ 105,250	\$ -	\$ -	\$ 147,350	\$ 10,525	\$ 263,125

Fund Increase	\$ 1,048,784	\$ 289,914	\$ 283,455	\$ 28,346	\$ 84,200	\$ 123,907	\$ 1,858,605
FY17	\$ 961,385	\$ 265,755	\$ 259,834	\$ 25,983	\$ 77,183	\$ 113,581	\$ 1,703,721

*Other funds include Motor Vehicle Fraud Fund, Nebraska State Patrol, and Motor Vehicle Industry Licensing

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2016

LB⁽¹⁾ 765

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 1-14-2016 Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2016-17		FY 2017-18	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	\$24,781	_____	\$24,781
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	\$0	\$24,781	\$0	\$24,781

Explanation of Estimate:

LB 765 will result in an increase in fees that will be charged for each original certificate of title issued by a county for a motor vehicle or trailer being titled in Nebraska from another state or country. The portion of the fee that will be transferred to the Nebraska State Patrol will be increased from \$.45 to \$.65. The State Patrol estimates that approximately 121,995 titles of this type will be issued. This will result in an increase in estimated revenue of approximately \$24,399.

Additionally, LB 765 will result in an increase in fees that will be charged for each original certificate of title issued by a county for all-terrain vehicles, utility-type vehicles or minibikes being titled in Nebraska from another state or country. The portion of the fee that will be transferred to the Nebraska State Patrol will be increased from \$.55 to \$.75. The State Patrol estimates that approximately 1,912 titles of this type will be issued. This will result in an increase in estimated revenue of approximately \$382.

Accordingly, total revenues are estimated to increase by \$24,781 for the Nebraska State Patrol as a result of the increase in these fees.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2016-17	2017-18
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	\$0	\$0

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

2016

LB⁽¹⁾ 765

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lancaster County Treasurer

Prepared by: ⁽³⁾ W. Jarrett

Date Prepared: ⁽⁴⁾ Jan. 11, 2016

Phone: ⁽⁵⁾ 402-441-7425

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	<u>0</u>	<u>87,500</u>	<u>0</u>	<u>175,000</u>
CASH FUNDS	<u>0</u>	<u></u>	<u>0</u>	<u></u>
FEDERAL FUNDS	<u>0</u>	<u></u>	<u>0</u>	<u></u>
OTHER FUNDS	<u>0</u>	<u></u>	<u>0</u>	<u></u>
TOTAL FUNDS	<u>0</u>	<u></u>	<u>0</u>	<u></u>

Explanation of Estimate:

This bill was initiated by Treasurer Stebbing to cover the additional costs and labor expenses for out of State Title processing at the DMV. Titles are being sent here by out of State dealers because of the Nebraska title fees are considerably lower than many other states.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</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>