

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			See Below	
CASH FUNDS	See Below	\$7,875	See Below	\$7,875
FEDERAL FUNDS				
HIGHWAY TRUST FUND		\$29,750		\$29,750
TOTAL FUNDS		\$37,625		\$37,625

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

LB 989 changes provisions relating to motor vehicles. The following changes may have a fiscal impact as described below.

Electronic Dealer Services System: The bill requires the Department of Motor Vehicles (DMV) to implement an electronic dealer services system no later than January 1, 2020. Dealers may voluntarily enroll in the system and provide titling and registration services. Dealers opting to enroll will collect all appropriate title fees, lien fees, registration fees, motor vehicle fees and taxes and sales taxes. The fees and taxes are the same as currently charged and collected, so the revenue for entities currently receiving motor vehicle fees and taxes is unchanged.

The DMV is in the process of planning for an updated Vehicle Title Registration System which will be implemented in the near future. It is assumed the electronic dealer services enumerated in the bill will be part of the new system which will factor into the cost of the system which is adopted by the state. It is not possible to determine the fiscal impact of including the electronic dealer services system in the redesign at this point in time. However, there will likely be a cash fund fiscal impact to do so.

The Department of Revenue indicates it will have a one-time computer programming charge of \$14,563 of general funds related to the collection of sales taxes by dealers. It is assumed the one-time expense will occur sometime after FY2016-17 when DMV implements the electronic dealer services system.

Specialty License Plates: LB 989 provides for the issuance of specialty license plates for organizations that have 250 applications for plates. The current threshold for the manufacture of such plates is 500 applications for an organization. The lower threshold will likely increase the number of specialty plates issued which increases revenue from specialty plate fees. Applicants for specialty plates pay the annual \$3.50 fee per license plate plus an additional specialty plate fee of \$70. The specialty plate fee accrues to the DMV Cash Fund (\$10.50) and the Highway Trust Fund (\$59.50). DMV indicates there may be a couple of organizations that are near or over the 250 threshold at the present time. If so, the bill will allow them to apply for plates in FY17, which will increase annual revenue by \$35,000 (\$5,250 DMV CF, \$29,750 HTF), assuming 500 individuals apply.

Electronic Renewal of Some Commercial Drivers Licenses: The bill authorizes DMV to issue licenses electronically to some applicants for commercial motor vehicle licenses who have passed the skills tests and have a digital image and signature preserved in the drivers' license system and who meet a few other requirements. Currently, counties issue these CDL's. DMV estimates the issuance of up to 1,500 CDL's may shift to the state. If so, counties will lose \$1.75 for the issuance of each CDL and revenue for the DMV Cash Fund will increase by a like amount. The shift will be about \$2,625 of revenue per year from counties to the state.

Repeal of the Health Advisory Board: The bill repeals the Health Advisory Board which is a board of six physicians who advise the Director of Motor Vehicles on whether an applicant should be issued an operator's license in certain instances. DMV indicates the board has not been operative for a number of years, so the repeal of the board has no fiscal impact for the department.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 989	AM:	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles	
REVIEWED BY: Lee Will		DATE: 1/21/2016	PHONE: 471-4175
COMMENTS: I concur with the agency's statement of no fiscal impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 989	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will		DATE: 1/29/2016	PHONE: 471-4175
COMMENTS: The Department of Revenue's estimate of fiscal impact appears to be reasonable given the assumptions used.			

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Explanation of Estimate:

No fiscal impact is anticipated.

MAJOR OBJECTS OF EXPENDITURE				
POSITION TITLE	NUMBER OF POSITIONS		FY 2016-2017	FY 2017-2018
	16-17	17-18	EXPENDITURES	EXPENDITURES
Benefits			_____	_____
Operating			_____	_____
Travel			_____	_____
Capital Outlay			_____	_____
Aid			_____	_____
Capital Improvements			_____	_____
Total			\$ -	\$ -

