

PREPARED BY: Sandy Sostad
 DATE PREPARED: February 01, 2019
 PHONE: 471-0054

LB 719

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$69,000	\$69,000	\$35,000	\$35,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$69,000	\$69,000	\$35,000	\$35,000

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

LB 719 requires wrecker and salvage dealers to report to the Department of Motor Vehicles (DMV) specified information on all vehicles designated as salvage. DMV is to report such information to the National Motor Vehicle Title Information System (NMVTIS) in a format prescribed per federal law and regulations. DMV is authorized to set and collect a fee to be collected from wreckers and salvage dealers. The fee is not to exceed the cost of reporting to the NMVTIS and shall be remitted to the DMV Cash Fund.

The estimated one-time cost to initially set up the reporting system is \$34,000 of cash funds in FY2019-20. On-going annual operating costs are estimated to be \$35,000. Fees to be charged to wrecker and salvage dealers will be established to cover the cost of the initial set-up and annual operating expenses. Since Nebraska is the first state to do this reporting, there is no firm basis upon which to estimate costs to set up the system as well as annual operating expenses, so actual costs may vary from these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 719	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles'	
REVIEWED BY: Lucas Martin	DATE: 2/1/2019	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Motor Vehicles' assessment of fiscal impact.			

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2019

LB⁽¹⁾ 719

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 30, 2019 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	69,000	69,000	35,000	35,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>69,000</u>	<u>69,000</u>	<u>35,300</u>	<u>35,000</u>

Explanation of Estimate:

We have an estimate from AAMVA for a \$34,000 initial set up fee followed by \$35,000 annual operating costs.

The bill authorizes us to collect from the wreckers and salvage dealers an amount to cover the costs, making it revenue neutral. The Department will have to increase the fee to meet the initial set up and operating costs, but will be able to lower the fee in FY 21 to account for the \$35,000 annual operating costs. We will not be able to begin work until AAMVA finishes their re-write of the NMVTIS system. This legislation is permissive and does not require us to transmit the data.

Nebraska will be the first state to do this reporting direct to NMVTIS/SSMVS which means we have no prior precedent for the necessary requirements.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Benefits.....				
Operating.....			69,000	35,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>69,000</u>	<u>35,000</u>