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Sandy Sostad
January 25, 2011
471-0054

LB 584

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below	(See Below)		(See Below)
FEDERAL FUNDS				
HIGHWAY TRUST FUND		(See Below)		(See Below)
TOTAL FUNDS	See Below	(See Below)		(See Below)

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 584 provides that no registration fees are required to be paid on a motor vehicle during the period when a person is deployed as an active member of the armed forces of the United States or the Nebraska National Guard. Persons applying for the exemption must present an affidavit to the State Treasurer to qualify for the reduced fee. The bill provides that registration fees are to be refunded if they had been paid for a previous registration period during which the applicant was deployed*.

There is no specific information on the number of active deployed members of the armed forces or the Nebraska National Guard to which the bill will apply. The Military Department indicates there were 1,853 Army and Air National Guard members deployed in CY2010. The Department of Veterans Affairs estimates there may be 10,000 persons on active duty from Nebraska.

Assuming 12,000 individuals with passenger cars are eligible to forgo a vehicle registration fee; there could be an annual loss in revenue of \$246,000 (\$20.50 registration fee x 12,000 persons). (The revenue loss could be higher depending upon what type of vehicle is excluded from registration). The revenue loss would be allocated as follows:

Registration Fee Allocation	Registration Fee	Loss of Revenue
DMV Cash Fund	1.50	18,000
Highway Trust Fund	15.00	180,000
State Recreation Road Fund	1.50	18,000
Emergency Medical Sys. Oper. Fund	0.50	6,000
Counties	2.00	24,000
Total	\$20.50	\$246,000

The Department of Motor Vehicles will have one-time expenses to modify the Vehicle Titling Registration System to provide for refunds and to exclude members on active duty from paying registration fees. DMV is not able to estimate the cost of computer modifications pursuant to the bill without clarification regarding the refund process, the term deployed and previous registration periods.

*Technical Note: There is no implementation date for the bill so there is no limitation on how far back in time applicants may be eligible to have registration fees refunded for deployments.

LB 584 FISCAL NOTE

RECEIVED
 JAN 31 2011
 LEGISLATIVE FIELD

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Explanation of Estimate:

LB 584 exempts an individual from paying the motor vehicle registration fee while deployed or on active duty in the armed forces. Approximately 1,650 Nebraska National Guard members are currently on active duty and over 10,000 Nebraskans are an active member of the Armed Forces. Modifications to the VTR system will be needed for the refund process described in the bill which doesn't fit the existing process. However, until further clarification of the refund process, the term deployed, and previous registration period can given, an estimate of the programming effort needed cannot be done.

Depending upon the type of vehicle registered the Highway Trust Fund would lose either \$15 or \$18 per registration period exempted. The total amount if all eligible sought relief could be between \$150,000 and \$200,000 annually.

POSITION TITLE	MAJOR OBJECTS OF EXPENDITURE		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	NUMBER OF POSITIONS			
	11-12	12-13		
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital Outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital Improvements	_____	_____	_____	_____
Total	_____	_____	<u>\$ -</u>	<u>\$ -</u>