

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$735,581	\$765,264	\$987,277	\$1,155,595
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$735,581	\$765,264	\$987,277	\$1,155,595

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

LB 207 requires the Department of Motor Vehicles (DMV) to fund the centralization of renewal notices for motor vehicle registrations. The bill requires DMV to annually determine the motor vehicle tax and motor vehicle fee on each motor vehicle registered in the state and to provide notice to the registrant of the amount of such taxes and fees which are to be paid to the county treasurer.

The overall fee for registering a vehicle is unchanged by the bill. However, the disposition of fees is changed to decrease the county portion of the registration fee by \$.50 and increase the amount credited to the DMV Cash Fund by a like amount.

The bill also allows counties to charge postage and handling fees to registrants in an amount not more than necessary for postage and handling when registrants request the delivery of license plates, registration certificates or decals by mail. The operative date of the bill is October 1, 2013.

DMV Expenditures: The bill shifts the responsibility for preparing and mailing vehicle registration notices from the counties to the state DMV. The department intends to mail notices in envelopes, rather than use postcards due to privacy issues. This will save the department the amount currently spent to provide postcards to counties. DMV will also have a reduction in costs for printers currently used by counties for notices.

The fiscal note prepared by DMV estimates that 1,437,995 notices will be sent in FY14 (9 months) and 1,929,603 (12 months) in FY15. Increased expenditures will be for printing notices, checking an address database, envelopes, postage and handling. Reduced expenditures will occur for postcards and printers. The net increase in cash fund expenditures for the department will total \$735,581 in FY14 and \$987,277 in FY15.

Revenues: The DMV Cash Fund will receive a \$.50 increase per registration and counties will experience a \$.50 decrease in revenue per registration. DMV estimates increased revenue of \$765,264 (8 months) in FY14 and \$1,155,595 (12 months) in FY15 and a like decrease for counties. The revenue increase is based upon estimated vehicle registrations of 1,530,527 in FY14 and 2,311,189 in FY15. The number of notices sent does not correspond with the total number of registrations processed since notices are not sent on exempt vehicles and there are always new vehicles registered every year.

Counties: Counties will experience a decrease in expenditures for costs related to the preparation, processing and mailing of notices and a decrease in revenue of \$.50 per vehicle registration. A fiscal note submitted by Douglas County indicates the net impact of the bill will positive for the county because the revenue that will be lost due to the change in the deposition of the fee will be less than what the county is currently spending to send notices. However, Lancaster County indicates that the \$.50 fee reduction on all registrations, not just mailed registrations, will mean that registration processing costs will still not be fully covered by the fee received, even taking into account the reduction in mailing costs assumed by the state.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 207	AM:	AGENCY/POLT. SUB: Douglas County
REVIEWED BY: David Spatz	DATE: January 24, 2013	PHONE: 471-4179
COMMENTS: No basis to agree or disagree with political subdivision's analysis and estimates of increased expenditures fiscal impact and decreased revenue fiscal impact.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 207	AM:	AGENCY/POLT. SUB: Lancaster County
REVIEWED BY: David Spatz	DATE: January 24, 2013	PHONE: 471-4179
COMMENTS: No basis to agree or disagree with political subdivision's analysis and estimates of increased expenditures fiscal impact and increased revenue fiscal impact.		

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken Date Prepared: 25-Jan-13 Phone: 471-3902 Fax: 471-9594
 Email: gary.ryken@nebraska.gov

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2013-2014		FY 2014-2015	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$ 735,581	\$ 765,264	\$ 987,277	\$ 1,155,595
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 735,581	\$ 765,264	\$ 987,277	\$ 1,155,595

Explanation of Estimate:

LB 207 transfers the responsibility of sending vehicle registration notices from the county treasurers to DMV. The bill also increases the registration fee to DMV by \$.50 and reduces the amount retained by the county by a like amount. DMV estimates the following changes to expenditures and revenues resulting from implementation of LB 207 on October 1, 2013.

Expenditures	Rate	FY2013	FY2014**	FY2015
Estimated Number of Notices		1,890,465	1,437,995	1,929,603
Printing, NCOA, envelopes, handling	\$ 0.086		\$ 123,668	\$ 165,946
Postage	\$ 0.390		\$ 560,818	\$ 752,545
AS-Materiel Surcharge	13.75%		\$ 77,112	\$ 103,475
Total Estimated Cost of Notices			\$ 761,598	\$ 1,021,966
Reduction for current cost of post cards			\$ (11,707)	\$ (15,609)
Reduction in printer costs provided to county treasurers			\$ (14,310)	\$ (19,080)
Net Increase in Cash Fund Appropriation			\$ 735,581	\$ 987,277

Revenues		FY2013	FY2014**	FY2015
Estimated Paid Registrations		2,289,736	1,530,527	2,311,189
Increase to DMV Cash Fund	\$ 0.50		\$ 765,264	\$ 1,155,595
Decrease to County General Funds	\$ (0.50)		\$ (765,264)	\$ (1,155,595)

** FY2014 Expenditures based upon 9 months and revenues 8 months due to 10/01/13 implementation date.

MAJOR OBJECTS OF EXPENDITURE				
POSITION TITLE	NUMBER OF POSITIONS		FY 2013-2014	FY 2014-2015
	13-14	14-15	EXPENDITURES	EXPENDITURES
Benefits				
Operating			\$ 735,581	\$ 987,277
Travel				
Capital Outlay				
Aid				

Capital Improvements	<u>\$ 735,581</u>	<u>\$ 987,277</u>
Total		

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

2013

LB⁽¹⁾ 207 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Douglas County

Prepared by: ⁽³⁾ Daniel Esch Date Prepared: ⁽⁴⁾ 1/24/13 Phone: ⁽⁵⁾ 402-444-7143

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>(\$245,640.00)</u>	<u>(\$238,193.00)</u>	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u><u>(\$245,640.00)</u></u>	<u><u>(\$238,193.00)</u></u>	<u>_____</u>	<u>_____</u>

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

Explanation of Estimate:

\$206,800.00 – Postage for Boat & Auto Renewals

\$18,500.00 – Contract USA

\$13,500.00 – Renewal Notice paper

\$2,040.00 – Ribbon

\$4,800.00 – staff hours 20 hours per month @ \$20.00 per hour

Loss of County Revenue: \$.50 per registration X 476,386 registrations in 2012 = \$238,193.00

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2013

LB⁽¹⁾ 207 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Treasurer's Office

Prepared by: ⁽³⁾ Donald Arp, DMV Manager Date Prepared: ⁽⁴⁾ January 18, 2013 Phone: ⁽⁵⁾ 402-441-6487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$592,616.92</u>	<u>\$541,868.00</u>	<u>\$492,992.08</u>	<u>\$406,401.00</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$592,616.92</u>	<u>541,868.00</u>	<u>\$492,992.08</u>	<u>\$406,402.00</u>

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

Explanation of Estimate: The fee allocation proposed in LB 207 would significantly impact the county's motor vehicle services by exacerbating an existing operational loss incurred under the current fee structure. Processing 270,934 registrations (renewals and at the counter) for FY 2011-12 cost the county \$592,616.92 while fees collected (\$2.00 per renewal) amounted to \$541,868.00, or an operating loss of \$50,748.92. Reducing the fee to \$1.50 for all registrations processed, not just those mailed, would increase that operational loss to \$85,591.08, even accounting for the reduction in initial mailing costs.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Motor Vehicle Clerk	<u>6.50</u>	<u>6.50</u>	<u>\$268,224.66</u>	<u>\$173,964.31</u>
Benefits.....			<u>\$65,024.16</u>	<u>\$66,324.64</u>
Operating.....			<u>\$259,368.10</u>	<u>\$264,555.46</u>
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			<u>\$592,616.92</u>	<u>\$504,844.41</u>