

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 925 allows a county treasurer to notify the Department of Motor Vehicles (DMV) on the first day of the next calendar quarter that the county treasurer will take over the mailing of renewal notices for motor vehicle registrations. The overall fee for registering a vehicle is unchanged by the bill. However, the disposition of fees is changed to increase the county portion of the registration fee by \$.50 and decrease the amount credited to the DMV Cash Fund by \$.50 per registration if a county assumes the responsibility.

The fiscal impact of the bill is not able to be calculated because it is dependent upon the number of counties which opt to take over the mailing of renewal notices, the number of notices mailed, and the timing of the assumption of the responsibility from the DMV. Assuming 2.3 million of vehicle registrations in FY15, DMV will receive about \$1,150,000 of revenue from the \$.50 fee. If counties opt to mail the renewals, then the revenue and expenditures of the DMV will decrease. Likewise, the revenue and expenditures of counties will increase if the county opts to mail renewal notices. The net fiscal impact of the bill for the DMV or for a county depends upon whether the cost of mailing notices is offset by the revenue received from the \$.50 registration fee.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 925	AM:	AGENCY/POLT. SUB: Dept. of Motor Vehicles (DMV)	
REVIEWED BY: Elton Larson		DATE: 1/31/2014	PHONE: 471-4173
COMMENTS: DMV analysis and estimate of fiscal impact appear reasonable.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 925	AM:	AGENCY/POLT. SUB: Douglas County	
REVIEWED BY: Elton Larson		DATE: 1/28/2013	PHONE: 471-4173
COMMENTS: Douglas County analysis and estimate of fiscal impact appear reasonable.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 925	AM:	AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY: Elton Larson		DATE: 1/28/2013	PHONE: 471-4173
COMMENTS: Lancaster County analysis and estimate of fiscal impact appear reasonable.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 925	AM:	AGENCY/POLT. SUB: Sarpy County	
REVIEWED BY: Elton Larson		DATE: 1/28/2013	PHONE: 471-4173
COMMENTS: Sarpy County analysis and estimate of fiscal impact appear reasonable.			

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken Date Prepared: 21-Feb-14 Phone: 471-3902 Fax: 471-9594
 Email: gary.ryken@nebraska.gov

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-2015</u>		<u>FY 2015-2016</u>	
	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 925 provides for a county treasurer to take over the vehicle registration notification mailing process from the DMV. The county would retain \$.50 per registration to pay for the mailing.

It is not possible to determine a fiscal impact without some indication as to the number of counties that may decide to opt out. Factors affecting the fiscal impact include allowing the counties to potentially give DMV a one day's notice to opt out and it is unclear whether counties would have the option to opt back in. The latter issue could cause budgetary problems if appropriation is taken away for counties opting out and then they decide at some point to opt back in within the same biennium budget cycle.

DMV's processing and mailing costs would be reduced by \$.50 for each registration the county mails out. DMV would incur some programming costs but they can be handled with current appropriation.

<u>MAJOR OBJECTS OF EXPENDITURE</u>				
<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>FY 2014-2015</u>	<u>FY 2015-2016</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital Outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital Improvements	_____	_____	_____	_____
Total	_____	_____	<u>\$ -</u>	<u>\$ -</u>

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

2014

LB⁽¹⁾ 925 Provide for transfer of motor vehicle registration duties to county treasurers **FISCAL NOTE**

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

Prepared by: ⁽³⁾ Marcos San Martin,
Douglas County
Administration
Date Prepared: ⁽⁴⁾ 1/21/2014
Phone: ⁽⁵⁾ 402.444.5116
Timothy Cavanaugh,
Chief Deputy
Treasurer 402.444.3250

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$253,840.00</u>	<u>\$245,000.00</u>	<u>\$279,224.00</u>	<u>\$250,000.00</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u><u>\$253,840.00</u></u>	<u><u>\$245,000.00</u></u>	<u><u>\$279,224.00</u></u>	<u><u>\$250,000.00</u></u>

Explanation of Estimate:

\$211,600.00 - Postage
 \$ 20,000.00 - envelopes, folding, stuffing
 \$ 15,000.00 - Renewal notice paper/printing
 \$ 2,200.00 - Ribbons
 \$ 5,040.00 - Staffing - 20 hours per month @ \$21.00 per hour
 (Undetermined Amount) - Move Update (address verification by the US Postal Service)

County Revenue: \$.50 per registration x 490,000 registrations in 2013 = \$245,000.00

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....X	_____	_____	<u>\$253,840.00</u>	<u>\$279,224.00</u>
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u><u>\$253,840.00</u></u>	<u><u>\$279,224.00</u></u>

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

2014

LB⁽¹⁾ 925

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lancaster County Treasurer's Office

Prepared by: ⁽³⁾ Don Arp

Date Prepared: ⁽⁴⁾ 1/24/14

Phone: ⁽⁵⁾ 402-441-6487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	132,471	132,471
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No impact FY 14-15 due to required notice of 12 month for the County to opt out.

FY 2015-16 impact is estimated based on an average of the last two fiscal years of processed transactions. County registrations fluctuate on an annual basis.

FY 11-12 270,934 registrations (renewals and at the counter)

FY 12-13 258,953 registrations (renewals and at the counter)

264,943 registrations x \$0.50 = \$132,471

The printing contract in place prior to the State enactment of LB 207 (2013) was \$0.42 per mailed piece. The County cannot guarantee the prior pricing for services will resume under the former contractual terms. The prior contract had not included any postage increase for a few years. Additionally, the County incurs the additional expense of printing new cards in-house for cards misrouted or not forwarded.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</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.

2014

LB⁽¹⁾ 925

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Sarpy County

Prepared by: ⁽³⁾ Fred Uhe

Date Prepared: ⁽⁴⁾ 1/21/14

Phone: ⁽⁵⁾ 402-593-2106

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: It's difficult to determine the actual fiscal impact on Sarpy County. The bill would allow the County Treasurer to mail motor vehicle renewal notices to the public instead of the State. For this the county would retain an additional \$.50 for this service. This would require the county to either assume or contract for the printing, folding, mailing, etc. of these documents. Postal rates are to increase in the near future but without actually requesting bids for the printing, etc as well as bulk mail rates we can't determine the actual cost to the county. The ability to include multiple renewals in one mailing would reduce our costs but we estimate that at best it would be a wash with negligible impact on the county either way. Sarpy County mails approximately 180,000 renewal notices each year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____