

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$116,662		\$137,250
CASH FUNDS	\$65,175	\$648,338	\$60,000	\$762,750
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$65,175	\$765,000	\$60,000	\$900,000

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

LB 357 increases the title fee for motor vehicles being titled in Nebraska from another state or country. The cost of the first title issued to a person for a transferred vehicle is the existing \$10 fee. An individual pays \$25 for any subsequent vehicle that is titled. The bill applies to motor vehicles, trailers, all-terrain vehicles, utility-type vehicles or minibikes.

The bill also amends the Motor Vehicle Registration Act to allow individuals to make a voluntary \$2.00 donation for programs for persons suffering from a brain injury. The funds are credited to the State Department of Education Cash Fund to use for programs for persons suffering from a brain injury.

Department of Motor Vehicles (DMV) Expenditures: DMV indicates there will be one-time programming expenses to modify the Vehicle Title Registration System to reflect the new \$25 tier of fees. The one-time cost is estimated to be \$20,100 of cash funds in FY2017-18. The department will also incur one-time costs for computer programming to collect, track and remit the \$2.00 voluntary contribution. The estimated fiscal impact for computer programming is \$15,075 of cash funds in FY18.

Revenue: DMV indicates there were 123,807 titles issued in CY2014. Approximately 91.5% of the titles were issued by counties and 8.5% were issued by DMV. The bill requires a higher fee for subsequent titles issued to an individual after the initial vehicle is titled. DMV estimates about 60,000 (54,900 county issued, 5,100 DMV issued) of the titles issued in CY2014 would be in this category.

The table on the following page shows the annual estimated increase in revenue pursuant to the fee increase for counties, the state general fund and impacted cash funds based upon the assumption that 60,000 titles will be impacted by the increased fee. The revenue in FY18 is estimated to be about 85% of the annual amount based upon an assumed implementation date of September of 2017.

CONTINUED ON PAGE 2

	County Issued - 54,900 Titles				
	Current Fee	Current Revenue	LB 357 Fee	LB 357 Revenue	Increased Revenue
County	\$3.25	178,425	\$12.50	686,250	507,825
DMV Cash Fund	\$4.00	219,600	\$6.00	329,400	109,800
General Fund	\$2.00	109,800	\$4.50	247,050	137,250
MV Fraud Fund	\$0.20	10,980	\$0.25	13,725	2,745
Patrol Cash Fund*	\$0.45	24,705	\$0.65	35,685	10,980
Mtr. Veh. Indust. Licensing*	\$0.10	5,490	\$0.10	5,490	0
Dept. of Ed. Cash Fund	\$0.00	0	\$1.00	54,900	54,900
Total	\$10.00	\$549,000	\$25.00	\$1,372,500	\$823,500

	DMV Issued - 5,100 Titles				
	Current Fee	Current Revenue	LB 357 Fee	LB 357 Revenue	Increased Revenue
DMV Cash Fund	\$4.00	20,400	\$10.00	51,000	30,600
Motor Carrier Cash Fund	\$6.00	30,600	\$14.00	71,400	40,800
Dept. of Ed. Cash Fund	\$0.00	0	\$1.00	5,100	5,100
Total	\$10.00	\$51,000	\$25.00	\$127,500	\$76,500

	Total Revenue Increase				
County					507,825
DMV Cash Fund					140,400
General Fund					137,250
MV Fraud Fund					2,745
Patrol Cash Fund					10,980
Mtr. Veh. Indust. Licensing					0
Dept. of Ed. Cash Fund					60,000
Motor Carrier Cash Fund					40,800
Total					\$900,000

*Patrol CF is understated and MVILF will incur a loss of revenue due to allocation of fee for all-terrain vehicles - unknown fiscal impact

Department of Education (NDE) Expenditures/Revenue: NDE will have increased cash fund revenue of about \$60,000 per year from title fees which is to be expended for programs for persons with brain injuries. The bill also provides for voluntary contributions of \$2.00 which can be made by any individual registering a motor vehicle. The fiscal impact of voluntary contributions is unknown.

This fiscal note assumes \$30,000 of cash funds will be expended by NDE in FY18 for brain injury programs and \$60,000 of cash funds will be expended in FY19.

ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 357	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Lee Will	DATE: 01/26/2017	PHONE: (402) 471-4175
COMMENTS: The Department of Motor Vehicles' estimate of fiscal impact appears to be reasonable given the assumptions used.		

ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 357	AM:	AGENCY/POLT. SUB: Nebraska Department of Education
REVIEWED BY: Lee Will	DATE: 01/23/2017	PHONE: (402) 471-4175
COMMENTS: The Nebraska Department of Education's estimate of fiscal impact appears to be reasonable given the assumptions used.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 357	AM:	AGENCY/POLT. SUB: Nebraska State Patrol
REVIEWED BY: Lee Will	DATE: 01/27/2017	PHONE: (402) 471-4175
COMMENTS: The Nebraska State Patrol's estimate of fiscal impact appears to be reasonable given the assumptions used.		

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

2017

LB⁽¹⁾ 357

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 26, 2017 Phone: ⁽⁵⁾ (402)471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		137,250		137,250
CASH FUNDS	35,175	181,200		181,200
FEDERAL FUNDS				
COUNTY FUNDS		507,825		507,825
TOTAL FUNDS	35,175	826,275		826,275

Explanation of Estimate:

LB 357 will increase the fees for titles transferred to Nebraska from another agency or country. Modifications to the VTR computer system will be needed to create this second tier of titles. It is estimated that 240 hours or computer programming to the AS/400 and Program Testing/Documentation will be necessary.

240 hours at \$83.75 per hour = \$20,100

LB 357 also adds a separate capability to collect a voluntary \$2.00 donation at the time of registration. This amount will have to be manually input into the system by an end user. The VTR would then be responsible for the collection and distribution of the funds to the State Treasurer. The estimate for the programming to the AS/400 and Program Testing/Documentation will be 180 hours. The amount of revenue collected by this voluntary contribution cannot be determined.

180 hours at \$83.75 per hour = \$15,075

Revenue projections from the new fee structure are shown on page 2

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			35,175	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			35,175	

Revenues:

Titling Fee Distribution	County	DMV Cash	State General	Other	Dept. Education	MCS	Total
Current County Issued	__3.25	_4.00	__2.00	__0.75	___ -	___ -	_10.00
Current DMV Issued	__ -	_4.00	__ -	___ -	___ -	_6.00	_10.00

**New Out of State or
Country**

County Issued	12.50	_6.00	_4.50	__1.00	__1.00		_25.00
DMV Issued	__ -	10.00	__ -	__ -	__1.00	_14.00	_25.00

Titles Issued 2014

County	113,282	91.5%
DMV	<u>10,525</u>	8.5%
Total	<u>123,807</u>	

Other funds affected by LB357 include the Motor Vehicle Fraud Cash Fund, Nebraska State Patrol Cash Fund, and the Nebraska Motor Vehicle Industry Licensing Fund.

DMV estimates that 60,000 titles will be subject to the new fee rate total revenue will increase by \$900,000, of which the counties will receive \$507,825, DMV Cash Fund \$140,400, State General Fund \$137,725, and the Motor Carrier Division Cash Fund \$40,800.

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

2017

LB⁽¹⁾ 357

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Education

Prepared by: ⁽³⁾ Shane Rhian

Date Prepared: ⁽⁴⁾ January 19, 2017

Phone: ⁽⁵⁾ 402-471-4313

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$124,000	\$124,000	\$124,000	\$124,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$124,000</u>	<u>\$124,000</u>	<u>\$124,000</u>	<u>\$124,000</u>

Explanation of Estimate:

LB 765 increases the original certificate of title fees by \$25.00 for vehicles transferred to Nebraska from another state or country and distributes those fees accordingly: Retained by the county - \$12.50; Department of Motor Vehicles Cash fund - \$6.00; General Fund - \$4.50; State Department of Education Cash Fund for use by the Department for programs for individuals with a brain injury \$1.00; Motor Vehicle Fraud Cash Fund - \$0.25; Nebraska State Patrol Cash Fund - \$0.65, and Nebraska Motor Vehicle Industry Licensing Fund - \$0.10. The allocation of funding to the State Department of Education is to be used for programs for persons with a brain injury. The Department of Motor Vehicles estimates 124,000 title transfers each year that would be impacted by this bill. As a result, the State Department of Education would receive \$124,000 in revenue each year.

The Department would expend these funds as authorized by the Brain Injury Council for allowable activities authorized for the Brian Injury Trust Fund in LB 227.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$124,000	\$124,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$124,000</u>	<u>\$124,000</u>

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

2017

LB⁽¹⁾ 357

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ January 25, 2017 Phone: ⁽⁵⁾ (402)471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	\$10,980	_____	\$10,980
FEDERAL FUNDS	_____	_____	_____	_____
COUNTY FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	\$10,980	=====	\$10,980

Explanation of Estimate:

LB 357 increases the fee charged for subsequent original certificate of titles issued by a county for a motor vehicle or trailer being titled in Nebraska from another state or country. The fee is increased from \$10 to \$25. The revenue from this fee is split between several state agencies and the county that issued the certificate of title. As a result of this legislation, the State Patrol's portion of the fee will increase by \$.20 for each subsequent original certificate of title.

The DMV estimates that 60,000 registrations will be subject to the new fee rate. They also estimate that 91.5% of the Titles issued will be made by the Counties and 8.5% of the Titles issued will be made by the DMV. This equates to 54,900 titles issued by the Counties that will be subject to this change. The State Patrol currently receives \$.45 of the total fee charged for each title issued by the county. This fee will remain the same for the first original certificate issued. However, for each subsequent original certificate of title issued by the Counties, the portion of the fee that will be remitted to the State Patrol will increase to \$.65. The State Patrol estimates an increase in Cash Funds revenue of \$10,980 (54,900 x \$.20)

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____