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 DATE PREPARED: January 23, 2009
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LB 49

Revision: 01

Revised on 1/23/09 to reflect biennial fiscal impact.

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$10,020			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$10,020			

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

LB 49 provides that beginning on the date designated by the Director of the Department of Motor Vehicles, which can be no later than January 1, 2011, the county treasurer will be the county official responsible for issuing motor vehicle titles, registrations, license plates and collecting taxes and fees for motor vehicles, all-terrain vehicles, minibikes, snowmobiles, trailers and motorboats.

The Department of Motor Vehicles (DMV) indicates that in 47 counties only the county treasurer is involved in the titling and registration of motor vehicles. The other 46 counties utilize both the county treasurer's and county clerk's office for motor vehicle transactions. The bill requires a change in operations for these 46 counties. Consolidating the titling and registration process in the county treasurer's office will result in a savings for DMV in the cost of terminals and printers.

The initial conversion of the titling and registration functions to the county treasurer will result in increased expenditures by DMV to install hardware and train county personnel on motor vehicle transactions. The department proposes to complete the training and installation over an 18 month period beginning in FY 2009-10 through December of 2010. The estimated total cost for training and installation is \$33,768 of cash funds, with \$22,512 expended in 2009-10 and \$11,256 expended in 2010-11.

The elimination of terminals and printers in county clerk's offices and a change to different types of printers and terminals in county treasurer's offices will result in a savings for DMV. DMV estimates that total annual cash fund expenditures for terminals and printers in county offices will decrease by \$46,260, from \$195,588 to \$149,328, when the conversion is complete in 2011-12. The estimated savings in 2010-11 is \$23,748. So, there will be a net decrease in cash fund expenditures of \$12,492 in 2010-11 after taking into account increased costs for training and installation.

The A bill in the amount of \$10,020 of cash funds for 2009-10 reflects the net fiscal impact of the bill for the biennium. DMV indicates the department can manage the increased expenditures for the biennium with this level of increased cash fund appropriation in the initial year the bill is implemented.

The fiscal impact of the change for affected counties is unknown. The transfer of responsibilities from one county office to another may result in staffing changes in some larger counties which could have an impact on overall county expenditures for personnel costs.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David J. Spatz	DATE 1/16/09	PHONE 471-4179
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COMMENTS

NEBRASKA DEPARTMENT OF MOTOR VEHICLES: Concur with Department of Motor Vehicles' analysis and estimate of increased and decreased cash fund expenditure fiscal impact.