

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$345,000)		(\$502,000)
CASH FUNDS	(\$305,965)	(\$381,700)	(\$756,429)	(501,500)
FEDERAL FUNDS		(See Below)		(See Below)
OTHER FUNDS				
TOTAL FUNDS	(\$305,965)	(\$726,700)	(\$756,429)	(\$1,003,500)

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

LB 553 eliminates current law providing for the administrative revocation of the driver's license of a person who is arrested after consenting to a chemical test to determine if they are driving under the influence of alcohol. The bill provides for the impoundment of the driver's license of a person convicted of driving under the influence. Currently, the license is revoked and a reinstatement fee of \$125 must be paid to get the license back.

Expenditures: The elimination of the administrative license revocation (ALR) process will reduce expenditures of the Department of Motor Vehicles (DMV). The department indicates there are 8.0 FTE working to administer the provisions of ALR. In addition, DMV contracts with the Attorney General to represent the state in ALR appeals. DMV projects a need to retain one position due to a projected increase in work permits, so 7.0 positions will be terminated pursuant to the bill. The expenditures for these staff and ALR activities will be eliminated beginning in 2007-08. Estimated cash fund savings will be \$444,102 in 2007-08 and \$789,539 in 2008-09. This savings assumes half of the contract with Attorney General will remain in 2007-08 to handle pending appeals and the entire contract will be eliminated in 2008-09.

The savings will be offset by increased cash fund expenditures of \$60,037 in 2007-08 to pay unemployment and leave payout costs for terminated employees. One-time computer programming expenses of \$48,000 will be incurred in 2007-08 to modify the mainframe computer system to change programs affected by ALR. An increase in work permits is projected to cost \$30,100 in 2007-08 and \$33,110 in 2008-09.

The net decrease in cash fund expenditures, assuming one position is retained by DMV to deal with a projected increase in work permits is \$305,965 in 2007-08 and \$756,429 in 2008-09.

Revenues: The reinstatement fee for a revoked license is \$125. The General Fund receives \$75 and the DMV Cash Fund receives \$50 of the fee. The bill provides for a license to be impounded rather than revoked for persons arrested for driving under the influence who submit to a chemical test.

There were 8,443 ALR reinstatements in 2005. Assuming 7.5% of the license reinstatements were for persons refusing to submit to a chemical test, then approximately 7,800 of licenses were reinstated for persons who submitted to a chemical test. Using this number inflated to reflect a 9.6% annual average growth rate in the number of ALR's, it is assumed revenue from reinstatement fees will decrease by \$1,041,700 in 2007-08 (10 months) and \$1,350,000 in 2008-09. Revenue for the General Fund will decline by an estimated \$625,000 in 2007-08 and \$810,000 in 2008-09. The decrease in DMV Cash Fund revenue is projected to be \$416,700 in 2007-08 and \$540,000 in 2008-09.

The fee for a work permit is \$45. The General Fund receives \$40 of the fee and the DMV Cash Fund receives \$5. DMV projects that changes in the bill regarding when a work permit may be issued will increase the number of persons who apply for such permits by up to 8,900 persons per year. This fiscal note assumes 7,000 additional work permits will be issued in 2007-08 and 7,700 in 2008-09. If so, then revenue from work permits will increase by an estimated \$315,000 (\$280,000 General Fund, \$35,000 DMV Cash Fund) in 2007-08 and \$346,500 (\$308,000 General Fund, \$38,500 DMV Cash Fund) in 2008-09.

The net change in revenue projected for the bill due to a decrease in reinstatement fees and an increase in work permit fees is decreased revenue of \$726,700 in 2007-08 and \$1,003,500 in 2008-09. The estimated revenue decrease for the General Fund is \$345,000 in 2007-08 and \$502,000 in 2008-09. The decrease for the DMV Cash Fund is \$381,700 in 2007-08 and \$501,500 in 2008-09.

DMV indicates there is the potential for a loss of federal Section 410 incentive funds if the bill passes and the alcohol related fatality rate for the state should happen to rise above .5 per 100 million miles traveled. The amount of federal funding received varies annually. In 2006, the state received over \$1 million from this source.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
NEBRASKA SUPREME COURT: No fiscal impact.					