

Revised on 3/30/17 based upon amendments adopted through 3/28/17.

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS		(\$2,500)		(\$2,500)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$2,500)		(\$2,500)

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

LB 263 requires the Department of Motor Vehicles (DMV) to implement an electronic dealer services system. Dealers may voluntarily participate in the system and provide titling and registration services. Dealers will be authorized to collect title and registration fees, sales taxes and motor vehicle taxes. DMV may adopt rules and regulations governing the dealer services system. The system is to be implemented on a date determined by the director of DMV, but not later than January 1, 2021. The act is operative on January 1, 2019.

Expenditures: DMV will incur expenses to implement the electronic dealer services system. The department is in the process of a modernization project to replace its Vehicle Title Registration System. The Legislature provided cash funds beginning in FY2014-15 for the project. The department has a biennial budget request of \$14,598,490 of cash funds for FY18 and \$10,134,987 for FY19 to continue implementation of the project. The base system is scheduled to be implemented and operational in September of 2019. An electronic dealer services system is a component of the modernization project, so a portion of the total project cost will be devoted to the new electronic system. If the biennial budget request of the department is funded as recommended by the Appropriations Committee, then LB 263 will have no additional fiscal impact.

The Department of Correctional Services indicates the provisions of the bill relative to distribution of license plates will have no fiscal impact for the agency in the next biennium. The Department of Revenue assumes the electronic dealer licensing system will not have a fiscal impact for the agency as long as paper filings of motor vehicle taxes are allowed. DMV indicates that will not change with the new dealer services system.

Revenues: LB 263 does not change any fees or taxes currently pertaining to licensing or registering motor vehicles. So, dealers will collect the same amount of motor vehicle taxes and fees and will remit the fees or taxes to the state and counties as is required by current law. However, the bill, as amended, allows dealers to charge and retain a fee of up to \$50 for those electing to use the electronic dealer services system.

The bill changes the required time period for county treasurers to remit fees and taxes to the state. Currently, title fees are required to be remitted to the state by the 15<sup>th</sup> day of the month and vehicle fees and registration fees are required to be remitted by the 25<sup>th</sup> day of each month. The required remittance date is synchronized to be the 20<sup>th</sup> day of each month. The change may have a slight unknown fiscal impact for counties or the state in terms of interest earned on funds.

The bill provides for a new \$1.50 fee if an individual opts to change the address on a registration certificate prior to annual renewal. It is assumed there will be little new revenue pursuant to the option.

Transportation Committee Amendments: LB 263, as amended, includes the provisions of LB's 54, 143, 164, 460, and 483 which have no fiscal impact. The amendments also include the provisions of LB 70, 294, 418 and 459 for which the following comments are provided relative to a fiscal impact. A new section of law is also added which has a minimal impact on cash fund revenue.

LB 70 – The provisions originally contained in LB 70 provide some discretion in terms of the revocation of motor vehicle operator's licenses by courts when a person operates a vehicle during the time a license has been revoked or impounded. If a person is placed on probation for operating a motor vehicle when an operator's license is revoked, then the court has discretion as to whether a license is to be revoked. It is possible the change in the law may have some impact on the number of operator's licenses revoked in the future which will impact revenue received by the Department of Motor Vehicles. The change in license revocations is unknown, but not projected to be significant.

LB 294 – The bill allows DMV to enter into a reciprocity agreement with a foreign country to provide for the mutual recognition and reciprocal exchange of a valid operator’s license issued by this state or the foreign county if the department determines that the licensing standards of the foreign country are comparable to the state’s standards. The agreement cannot pertain to commercial motor vehicle licenses. These provisions should not have a fiscal impact on license fee revenues because DMV indicates that individuals receiving a license pursuant to a reciprocal agreement will have to pay the appropriate fee to obtain an operator’s license.

LB 418 - The bill increases the amount that may be imposed as a civil penalty by the Superintendent of Law Enforcement and Public Safety against motor carriers transporting persons or property in interstate commerce for various violations. The State Patrol indicates the increase in the fine for violations of subsection (1) of Section 75-369.03 will increase annual revenue by about \$110,000 based upon violations in the last calendar year. The current penalty is a maximum of \$500. The bill increases the maximum penalty by \$300, to a total of \$800. The revenue accrues to the county where the violation occurs, for use by public schools. The other changes in penalties in the bill may have a minimal, if any, increase in revenue because violations are rarely cited.

LB 459 – The bill requires the State Fire Marshal to adopt and promulgate rules and regulations for the statewide one-call notification center. The Fire Marshal estimates an annual cost of \$150 to publish notices of regulation hearings. The agency indicates it can absorb the increased costs with existing resources. Provisions in LB 459 also increase a civil penalty for violations related to underground facilities. Any increased revenue from the civil penalty will accrue to the county where the violation occurs for use by the public schools.

The amendments to LB 263 also include new provisions in Sections 10 and 11 which allow owners to apply for a title for a vehicle manufactured more than 30 years prior to the application date when an owner does not have a title certificate. The bill establishes a \$25 title fee which is credited to the DMV Cash Fund. The changes result in a loss in revenue for the DMV Cash Fund because currently a fee of \$50 would have been charged for a bonded title for these vehicles. DMV estimates an annual loss of \$2,500 of cash fund revenue.

<a href="#">ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</a>		
LB: 263	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue
REVIEWED BY: Lee Will	DATE: 02/03/2017	PHONE: <a href="tel:4024714175">(402) 471-4175</a>
COMMENTS: Concur with the Nebraska Department of Revenue’s assessment of no fiscal impact.		

<a href="#">ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</a>		
LB: 263	AM:	AGENCY/POLT. SUB: Douglas County
REVIEWED BY: Lee Will	DATE: 01/19/2017	PHONE: <a href="tel:4024714175">(402) 471-4175</a>
COMMENTS: Concur with the Douglas County’s statement of no fiscal impact.		

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

**2017**

**LB<sup>(1)</sup> 263**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Motor Vehicles

Prepared by: <sup>(3)</sup> Bart Moore Date Prepared: <sup>(4)</sup> January 18, 2017 Phone: <sup>(5)</sup> (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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

Programming costs associated with LB 263 are included in the Department's 2017-19 biennium budget request for the VTR modernization project. No additional fiscal impact is anticipated.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>

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

**2017**

**LB<sup>(1)</sup> 263**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: (2) Nebraska Department of Correctional Services

Prepared by: (3) Sara Sump Date Prepared: (4) 1/17/17 Phone: (5) 402.479.5702

**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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

LB 263 proposes to make changes to the method of distributing new license plates. The bill requires the following: "The Department of Correctional Services shall deliver the license plates each year as directed by the Department of Motor Vehicles through a secure process and system." The operative date of the bill is January 1, 2019 and in discussions with DMV, the legislation will not change the distribution process for license plates until after the end of the upcoming biennium. As a result there is no fiscal impact to the Department in FY 17-18 or FY 18-19.

**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>
<u>Benefits.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Operating.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Travel.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Capital outlay.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Aid.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Capital improvements.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<b>TOTAL.....</b>	<u></u>	<u></u>	<u>0</u>	<u>0</u>



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**2017**

**LB<sup>(1)</sup> 263 AM538**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Service Commission

Prepared by: <sup>(3)</sup> Suzie Hinzman Date Prepared: <sup>(4)</sup> 03/28/2017 Phone: <sup>(5)</sup> 402-471-0240

**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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB263 AM538 has no fiscal impact for the Public Service Commission.

**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.....	_____	_____	<u>0</u>	<u>0</u>

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

**2017**

**LB<sup>(1)</sup> 263, AM538**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Fire Marshal

Prepared by: <sup>(3)</sup> Deb Hostetler Date Prepared: <sup>(4)</sup> 03/16/2017 Phone: <sup>(5)</sup> (402) 471-9479

**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	\$150	_____	\$150	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

With the elimination of the requirement for the Agency to identify the technology needs of the One-Call Notification Center, the Agency does not foresee any additional fiscal costs beyond what was previously identified as needed to publish public notices of regulation hearings.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

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

**2017**

**LB<sup>(1)</sup> 263**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> DOUGLAS COUNTY, NEBRASKA

Prepared by: <sup>(3)</sup> C/O MARCOS SAN MARTIN, DOUGLAS CO. ADMINISTRATION      Date Prepared: <sup>(4)</sup> 1/18/17      Phone: <sup>(5)</sup> 402-444-5116

**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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

NEGLIGIBLE OR NO FISCAL IMPACT TO COUNTY.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

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