

PREPARED BY: Sandy Sostad
 DATE PREPARED: February 24, 2017
 PHONE: 471-0054

LB 400

Revision: 00

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				(See Below)
CASH FUNDS	\$20,100			(See Below)
FEDERAL FUNDS				
HIGHWAY TRUST FUND				(See Below)
TOTAL FUNDS	\$20,100			

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

LB 400 provides that upon the transfer of ownership of any motor vehicle or trailer, the refund of any fees and taxes shall be based upon the number of unexpired days remaining in the registration period. Currently, the refund is based upon the number of unexpired months. The bill is effective on January 1, 2019.

Expenditures: The Department of Motor Vehicles (DMV) indicates there will need to be computer programming for the Vehicle Title Registration System to handle registration refunds on the basis of unexpired days versus unexpired months. It is estimated the one-time programming cost will be \$20,100 of cash funds in FY2017-18.

Revenue: Beginning in FY2018-19, the computation of motor vehicle refunds based upon days rather than months for vehicle transfers will reduce the amount of revenue from motor vehicle taxes and fees for various entities. DMV does not currently have any data to estimate the potential decrease in revenue from motor vehicle taxes and fees.

Registration fees accrue to the DMV Cash Fund, Highway Trust Fund, State Recreation Road Fund, Nebraska Emergency Medical System Operations Fund and to counties. Motor vehicle fees and taxes are remitted to cities, counties and school districts.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 400	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.			

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

2017

LB⁽¹⁾ 400

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 25, 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	_____	_____	_____	_____
CASH FUNDS	20,100	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>20,100</u>	_____	_____	_____

Explanation of Estimate:

Programming the VTR System to handle registration refunds in different methods would require an estimated 240 hours of programming to the AS/400 and for Programming Testing/Documentation. The programming in order to compute the daily tax/fee amounts that will create the refund will be extensive due to the need to address issues such as rounding, leap year, Julian date, and others.

Programming and Testing 240 hours at \$83.75 an hour = \$20,100

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.....	_____	_____	20,100	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	20,100	_____