

Revised on 3/29/18 based upon amendments adopted through 3/28/18.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		\$5,000		\$5,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$5,000		\$5,000

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

LB 909 redefines certain motor vehicles as reconstructed and replica vehicles. The bill provides that these vehicles will no longer be titled as regular vehicles but will be titled as reconstructed and replica vehicles. The Department of Motor Vehicles (DMV) estimates there will be about 250 reconstructed and replica vehicles titled on an annual basis. LB 909, as amended, provides that counties will continue to issue titles for these vehicles, so the bill has no fiscal impact.

The bill, as amended also includes provisions from LB 740, 860, 895, 896, 900, 980, 1011, 1049, 1092 and 1136. LB 860, 1011, 1049 and 1136 have no fiscal impact. The fiscal impact of the other bills is as follows:

LB 740: The bill allows metropolitan utilities districts to have permanently issued license plates for their motor vehicles and trailers beginning on January 1, 2023. The bill authorizes the DMV to issue a distinctive metropolitan utilities district license plate. Applicants for metropolitan utilities district plates pay the regular \$3.50 fee per plate. The bill does not change registration fees for these vehicles and trailers.

Expenditures: The DMV will have one-time estimated cash fund expenditures of \$4,513 in FY2022-23 for computer programming for the Vehicle Title Registration System to reflect the new metropolitan utilities district plates.

Sales Tax Revenue for Municipalities: The Department of Revenue indicates the bill may result in a change in the amount of sales tax revenue collected on motor vehicles in some municipalities. The amount of sales tax paid is based upon the place that a vehicle is registered. So, municipalities which levy a local sales tax within the metropolitan utility district may gain or lose revenue depending upon the existing tax situs of a motor vehicle and the site where vehicles are registered pursuant to the bill.

LB 895: The bill changes various provisions regarding motor vehicles. The following provisions of the bill may have a fiscal impact.

Exemption from Motor Vehicle Taxes: The bill exempts spouses of members of the armed forces who are serving in the state from the payment of motor vehicle taxes if the person is a resident of another state. Vehicles that are currently registered in both spouses' names are currently exempt from motor vehicle taxes. The number of vehicles which would be exempt are unknown, but the DMV estimates the number would be minimal. Proceeds from motor vehicle taxes accrue to counties (22%), cities (18%) and school districts (60%), which will see a minimal decrease in revenue pursuant to the bill.

State Identification Cards: The bill removes the requirement for an individual to apply in person once every ten years to renew a state identification card. It also allows persons to switch from a Class O drivers' license to a state identification card online, if a digital image and signature is on file.

The elimination of the requirement for a person to apply for a state identification card in person every ten years will result in a minimal decrease in workload. DMV estimates an annual increase in cash fund revenue of \$5,000 if individuals opt to use the on-line system to obtain a state identification card in lieu of a drivers' license.

DMV indicates there are other provisions in the bill which require changes to the drivers' manual and website and minor programming to assist customers in using the electronic data system. These changes can be handled with existing staff and resources of the department.

LB 896: The bill requires the DMV to provide an electronic reporting system for salvage and junked motorboats and vehicles. The bill also requires the department to provide for the use of identification numbers for trailers which do not have a certificate of title. These requirements must be met on or before January 1, 2021.

DMV indicates the new provisions requiring an electronic reporting system for salvage and junked motorboats and vehicles will be included in the new Vehicle Titling and Registration System currently under development by the agency, so there is no additional fiscal impact for these provisions. Likewise, the agency indicates the requirement to provide identification numbers for trailers will have no fiscal impact for the department.

LB 900: The bill includes an annual update of references to certain federal provisions related to motor vehicles. These changes have no fiscal impact for the DMV and the Nebraska State Patrol because they amend current law to reference the appropriate federal regulations. As noted in the fiscal note from the State Patrol, if the references are not changed there is the possibility that federal and cash funds could be jeopardized if the state motor carrier safety assistance program regulations are not aligned with corresponding federal regulations.

The bill also 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 subsections (2), (3) and (4) of Section 75-369.03 may result in a minimal, if any, increase in revenue because violations are rarely cited. Any increase in revenue accrues to the county where the violation occurs, for use by the public schools.

LB 980: The bill provides for the issuance of a permit to transport, during daylight hours, divisible loads of hay bales which are not wider than twelve feet. The Department of Transportation indicates there will be an increase in cash fund revenue from the issuance of additional \$25 permits, but the number that will be issued is unknown, so the revenue increase cannot be determined.

LB 1092: The bill changes provisions regarding autocycles. It reduces the registration fee for an autocycle from \$15 to \$6. The change will have a minimal fiscal impact in terms of a revenue loss for the Highway Trust Fund. Statistics for 2016 show five autocycles registered in the state, so the \$9 decrease in the registration fee for an autocycle will have little fiscal impact at this point in time.

ADMINSTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES

LB: 909	AM:	2284	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Lee Will		DATE: 03/27/2018	PHONE: (402) 471-4175
COMMENTS: Concur with Department of Motor Vehicles' assessment of fiscal impact.			

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2018

LB⁽¹⁾ 909 AM 2284

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ March 21, 2018 Phone: ⁽⁵⁾ (402)471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	5,000	_____	5,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>5,000</u>	<u>_____</u>	<u>5,000</u>

Explanation of Estimate:

LB 909 AM 2284 allows individuals to switch from a Class O driver's license to a State ID Card online if a digital image and signature is on file. It also removes the requirement to appear in person every ten years. This would allow more individuals to utilize the online system and generate an additional \$5,000 for the Department.

Provisions in the bill require changes to the driver's manual and website, and minor programming to assist customers in using the system, but can be accommodated within existing appropriations.

There will be a very minimal decrease to motor vehicle tax revenues due to the current provisions in the Federal Service Members Civil Relief Act. The new provision would exempt vehicles registered in only the name of the spouse of an active service member who is living in Nebraska, but claims residence in another state. Vehicles currently registered in both the active military members name and spouses name are already exempted.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____