Samuel Malson January 23, 2020 402-471-0051

LB 944

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	20-21	FY 2021-22				
	EXPENDITURES REVENUE		EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

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

LB944 makes the following changes:

- Places language in statute that would require any city or village that collects a fee as described by 18-1214 to use the plate types and weight categories when reporting information to the Vehicle Title and Registration (VTR) system. Additionally, the entities collecting the fee are required to notify the Department of Motor Vehicles (DMV) of any new fee or change in existing fee, within 10 business days after the passage of the ordinance and at least 60 days prior to the implementation of the new or changed fee.
- Adds a natural disaster as a valid reason for the refund of the unused fees and taxes on a motor vehicle, apportionable vehicle, apportionable vehicles, snowmobile, or trailer.
- Removes the requirement found at 60-3,203 that an application for a replacement permanent license plate be filed with the Division of Motor Carrier Services within the DMV for apportionable commercial vehicles with a base registration in Nebraska.
- Provides that the DMV or county treasurers may issue temporary license stickers at no cost to applicants, for the following
 plate types: Wildlife Conservation, Prostate Cancer Awareness, and Sammy's Superheroes. Additionally, the DMV will provide
 the temporary license stickers to counties at no cost.
- Allows the DMV to deliver an operator's license or state identification card by secure electronic delivery to a specified contact information at the request of the applicant.
- Allows the inquiry touching upon an applicant's knowledge of motor vehicle laws of the state when applying for an operator's license to be performed remotely if proctored by an agent approved by the Director of the DMV.
- Provides that the Division of Motor Carrier services within the DMV may, rather than shall, estimate a person's liability when said person fails to or has improperly purchased motor fuel with payment of tax under the International Fuel Tax Agreement Act (66-1401).
- Creates new statute where the Director of the DMV is provided with the authority to suspend, revoke, cancel, or refuse to issue or renew a registration under the unified carrier registration plan and agreement. This authority is provided in situations where the applicant or registrant has, as applicable, had their license issued under the International Fuel Tax Agreement or registration issued under the International Registration Plan Act revoked, suspended, cancelled, or in instances where the Director refused to issue a new license or registration. Additionally violation of 75-392 through 75-399 would constitute a valid reason for refusal to issue or renew the registration. Lastly, the new statute delineates the processes and procedures for the notice, hearing and reinstatement of the registration as well as the establishment of a \$100 fee for reinstatement if within three (3) years of the original action.
 - A fiscal impact with regard to the \$100 fee may be present, but minimal. The bill prescribes the fee will be remitted to the Highway Cash Fund which provides funding for the Nebraska Department of Transportation. However, the impact is not determinable as the number of individuals who would potentially pay the fee in the future is unknown.
- The newly created statute discussed directly above is incorporated into 60-3,127, 75-369.03, 75-392, 75-398, and 75-399 by reference.

Outside of the \$100 fee discussed above, there does not appear to be a fiscal impact at the state level.

The DMV, Department of Revenue, Nebraska State Patrol, and City of Lincoln, have provided fiscal notes (see attached) indicating no fiscal impact. There is no basis to disagree.

The Department of Transportation has indicated (see attached) a possible increase in revenue remitted to the Highway Cash Fund due to individuals paying the \$100 fee to have their registration reinstated. However, the amount is expected to be minimal.

Lancaster County, and Sarpy County have indicated no fiscal impact is present except for in the event of a natural disaster (see bullet number two), but that the impact is not able to be determined. There is no basis to disagree with their assessment.

ADMINIS	STRATIVE SERVIC	ES STATE BUDGET DIVISION: REVIEW OF AGENCY & P	POLT. SUB. RESPONSE				
LB: 944	AM:	AGENCY/POLT. SUB: Nebraska Depar	tment of Transportation				
REVIEWED BY:	Lucas Martin	DATE: 1/23/2020	PHONE: (402) 471-4181				
COMMENTS: No basis to disagree with the Department of Transportation's assessment of minimal fiscal impact.							

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB: 944		AM:	AGENCY/POLT. SUB: City of Lincoln				
REVIEWED BY:	Lucas Martin	DATE: 1/17/2	2020 PHONE: (402) 471-4181				
COMMENTS: No basis to disagree with the City of Lincoln's assessment of no fiscal impact.							

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 944 AM: AGENCY/POLT. SUB: Lancaster County Treasurer						
REVIEWED BY:	Lucas Martin	DATE: 1/22/2020	PHONE: (402) 471-4181			
COMMENTS: The Lancaster County Treasurer's assessment of possible fiscal impact seems reasonable given the assumptions used.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB: 944		AM:	AGENCY/POLT. SUB: Sarpy County				
REVIEWED BY:	Lucas Martin	DATE: 1/17/2020	PHONE: (402) 471-4181				
COMMENTS: No basis to disagree with Sarpy County's assessment of no fiscal impact.							

LB ⁽¹⁾ 944					FISCAL NOTE
State Agency OR Political S	ubdivision Name: ⁽²⁾	Motor Vehicles			
Prepared by: ⁽³⁾ Bart M	oore	Date Prepared: ⁽⁴⁾	January 14, 2020	Phone: (5)	402-471-3902
I	ESTIMATE PROVI	DED BY STATE AGEN	ICY OR POLITICAL	<u>. SUBDIVIS</u>	ION
	<u>FY s</u> EXPENDITURES	2020-21 <u>REVENUE</u>	<u>EXPENDITU</u>	<u>FY 2021</u> RES	<u>-22</u> <u>REVENUE</u>
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS					
Explanation of Estimate:					
No Fiscal Impact					

	NUMBER OI	F POSITIONS	2020-21	2021-22	
POSITION TITLE	20-21	<u>21-22</u>	EXPENDITURES	EXPENDITURES	
			<u> </u>		
Benefits					
Operating					
Travel					
Capital outlay					
Aid					
Capital improvements					
TOTAL	•••••				

2020

Fiscal Note 2020

State Agency Estimate							
State Agency Name: Department of	Revenue				Date Due LFA:	1/22/2020	
Approved by: Tony Fulton		Date Prepared:	1/16/2020		Phone: 471-5896		
FY 2020-2021		FY 2021-2022		FY 2022-2023			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$ O		\$ 0		\$ 0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$ 0		\$ 0		\$ 0	

LB 944 amends provisions related to the unified registration plan and agreement, changes provisions relating to certain motor vehicle fees imposed by cities and villages, provides refunds or credits of fees for loss of possession due to natural disaster, harmonizes provisions, and grants additional powers to the Director of Motor Vehicles.

Section 1 harmonizes vehicle classifications used for motor vehicle fees imposed by cities or villages with the provisions contained in the Vehicle Title and Registration System maintained by the Department of Motor Vehicles (DMV) and requires cities and villages to notify the DMV when modifying existing or adopting new motor vehicle fees.

Section 2, 4, and 7 expand provisions to refund or credit the owner of a motor vehicle, owner operating a fleet of apportionable vehicles, or owner of a snowmobile for unused fees or taxes when the vehicle is lost due to a natural disaster.

Sections 3, 15, 16, 17, 18, and 19 harmonize reference to Neb. Rev. Stat. § 75-392 through 75-399 in Neb. Rev. Stat. §§ 60-3,137, 75-369.03, 75-386, 75-392, 75-398, and 75-399 to include section 20 of this act.

Section 5 updates process to procure replacement license plates to eliminate requirement of submitting an application.

Sections 6 and 13 grant Director of Motor Vehicles authority to suspend, revoke, cancel, or refuse to issue or renew a registration certificate under International Registration Plan Act (IRPA) or International Fuel Tax Agreement (IFTA) for violation of section 20.

Sections 8, 9, and 10 grant county treasurers or the DMV authority to issue temporary license stickers to persons who have applied for Wildlife Conservation Plates, Prostate Cancer Awareness Plates, or Sammy Superheroes Plates.

Section 11 allows secure electronic delivery of an operator's license or state identification card to specified contact information at the request of the applicant.

Major Objects of Expenditure									
Class Code	Classification Title	20-21 <u>FTE</u>	21-22 <u>FTE</u>	22-23 <u>FTE</u>	20-21 <u>Expenditures</u>	21-22 Expenditures	22-23 Expenditures		
Benefits									
Operating Costs									
Capital Outlay									
	nts								

Section 12 allows remote administration of the portion of the motor vehicle application process relating to the applicant's knowledge of motor vehicle laws.

Section 14 changes "shall" to "may" with respect to the DMV's obligation to estimate a person's liability for fuel purchases that are improper under IFTA or when the person failed to file a return under IFTA.

Section 20 creates a new statute that grants the Director of Motor Vehicles authority to suspend, revoke, cancel, or refuse to issue or renew a registration pursuant to the Unified Registration Plan and Agreement if their license was denied or revoked under IFTA or IRPA, or for violation of Neb. Rev. Stat. §§ 75-392 through 75-399 and section 20 of this act. This section goes on to establish procedure for notice, hearing, and reinstatement of registration.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department to implement this bill.

LB ⁽¹⁾ 944					FISCAL NOTE
State Agency OR P	olitical Subdivision Name: ⁽²⁾	Nebraska State Pa	atrol		
Prepared by: (3)	Carol Aversman	Date Prepared: ⁽⁴⁾	1/17/2020	Phone: (5)	
	ESTIMATE PROVI	DED BY STATE AGEN	NCY OR POLITICA	AL SUBDIVIS	SION
	<u>FY :</u> EXPENDITURES	<u>2020-21</u> <u>REVENUE</u>	<u>EXPENDIT</u>	<u>FY 2021</u> <u>TURES</u>	<u>I-22</u> <u>REVENUE</u>
GENERAL FUNI	DS				
CASH FUNDS					
FEDERAL FUNI	DS				
OTHER FUNDS					
TOTAL FUNDS					
Explanation of Es	stimate:				
NO FISCAL IM	PACT.				

	NUMBER OF	POSITIONS	2020-21	2021-22 <u>EXPENDITURES</u>	
POSITION TITLE	<u>20-21</u>	<u>21-22</u>	EXPENDITURES		
Benefits					
Operating					
Travel					
Capital outlay					
Aid					
Capital improvements					

2020

LB ⁽¹⁾	944					FISCAL NOTE
State Ag	ency OR Poli	tical Subdivision Name: ⁽²⁾	City of Lincoln			
Prepare	d by: ⁽³⁾	lames Van Bruggen	Date Prepared: ⁽⁴⁾	1/15/20	Phone: (5)	402-441-8301
		ESTIMATE PROVI	<u>DED BY STATE AGEN</u>	NCY OR POLITICAL	<u>. SUBDIVIS</u>	ION
		FY	2020-21		FY 2021	-22
		EXPENDITURES	REVENUE	EXPENDITU		REVENUE
GENER	AL FUNDS					
CASH F	UNDS					
FEDER.	AL FUNDS					
OTHER	FUNDS					
TOTAL	FUNDS					
Explana	tion of Esti	mate:				

No fiscal Impact

	NUMBER OF POSITIONS		2020-21	2021-22
POSITION TITLE	<u>20-21</u>	<u>21-22</u>	EXPENDITURES	EXPENDITURES
		. <u></u> _		
Benefits				
Operating	•••			
Travel				
Capital outlay				
Aid				
Capital improvements				

LB ⁽¹⁾ 944				FISCAL NOTE		
State Agency OR Po	olitical Subdivision Name: ⁽²⁾	Nebraska Department of Transportation				
Prepared by: ⁽³⁾	Jenessa Boynton	Date Prepared: ⁽⁴⁾	1/16/2020 Phone: 0	5) 402-479-4691		
	ESTIMATE PROVI	DED BY STATE AGEN	ICY OR POLITICAL SUBDIV	ISION		
	<u>FY 2</u> EXPENDITURES	2020-21 <u>REVENUE</u>	<u>FY 20:</u> EXPENDITURES	<u>21-22</u> <u>REVENUE</u>		
GENERAL FUNE	05					
CASH FUNDS						
FEDERAL FUND	S					
OTHER FUNDS						
TOTAL FUNDS						

Explanation of Estimate:

LB 944 is a DMV bill which changes provisions relating to motor vehicles. The bill applies to NDOT in regards to each applicant for reinstatement, issuance, or renewal of a registration within three years after the date of suspension, revocation, cancellation, or refusal to issue or renew shall submit a fee of one hundred dollars which will be credited to the Highway Cash Fund.

There is a potential of a minimal increase in revenue received to the Highway Cash Fund for the Department.

DOWN BY MAJ	OR OBJECTS O	F EXPENDITURE	
NUMBER OF POSITIONS		2020-21	2021-22
<u>20-21</u>	21-22	EXPENDITURES	EXPENDITURES
·			
	<u> </u>		
	NUMBER OF 20-21	NUMBER OF POSITIONS 20-21 21-22	20-21 21-22 EXPENDITURES

LB ⁽¹⁾ 944					FISCAL NOTE
State Agency OR Po	olitical Subdivision Name: ⁽²⁾	Lancaster County	Treasurer		
Prepared by: ⁽³⁾	Kristen Anderson	Date Prepared: ⁽⁴⁾	1/21/19	Phone: (5)	(402) 441-7409
	ESTIMATE PROVI	DED BY STATE AGEN	ICY OR POLITICAL	SUBDIVIS	ION
	<u>FY 9</u> EXPENDITURES	2020-21 <u>REVENUE</u>	<u>EXPENDITU</u>	<u>FY 2021-</u> V <u>RES</u>	- <u>22</u> <u>REVENUE</u>
GENERAL FUND	DS		<u> </u>		
CASH FUNDS					
FEDERAL FUND	S				
OTHER FUNDS					
TOTAL FUNDS					

Explanation of Estimate:

There would be no fiscal impact except in the unlikely event of a natural disaster. In that scenario, the financial impact would be determined by the severity of the disaster and cost associated with refunding of claims.

BREAKI	DOWN BY MA.	JOR OBJECTS C	DF EXPENDITURE	
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2020-21 EXDENIDITUDES	2021-22
POSITION TITLE	<u>20-21</u>	<u>21-22</u>	EXPENDITURES	EXPENDITURES
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

No Fiscal Impact

LB ⁽¹⁾ 944					FISCAL NOTE
State Agency OR 1	Political Subdivision Name: ⁽²⁾	Sarpy County			
Prepared by: ⁽³⁾	William E. Conley	Date Prepared: ⁽⁴⁾	1/16/2020	Phone: (5)	402-593-5958
	ESTIMATE PROVI	IDED BY STATE AGEN	NCY OR POLITICAL	SUBDIVIS	ION
	FY	2020-21		FY 2021	-92
	EXPENDITURES		EXPENDITU		<u>REVENUE</u>
GENERAL FUN	DS				
CASH FUNDS			<u> </u>		
FEDERAL FUN	DS				
OTHER FUNDS	8				
TOTAL FUNDS					

Explanation of Estimate:

NO FISCAL IMPACT. In terms of fiscal impact on Sarpy County the bill doesn't appear to contain anything that changes current methods of collections or processes that are already utilized in the Treasurer's office. However, Sarpy County could be impacted by the potential refunds or credit of fees for loss of possession due to a natural disaster and the timing and fiscal impact is difficult to predict and quantify.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE **Personal Services**: NUMBER OF POSITIONS 2020-21 2021-22 **EXPENDITURES** POSITION TITLE 20-21 21-22 **EXPENDITURES** Benefits..... Operating..... Travel..... Capital outlay..... Aid..... Capital improvements..... TOTAL

2020