

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$22,475)		(\$22,475)
CASH FUNDS	\$11,250	(\$149,963)	\$11,250	(\$149,963)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$11,250	(\$172,438)	\$11,250	(\$172,438)

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

The changes LB750 makes which have a fiscal impact are as follows:

1. Authorizing the Department of Motor Vehicles (DMV) to recoup the cost of postage and handling when Historical or Choose Life license plates and a registration certificate is mailed by Cornhusker State Industries directly to an individual instead of by a county. The DMV would charge a fee in an amount that is not more than necessary to recover costs. The recovered costs are to be credited to the DMV Cash Fund (DMVCF).

The DMV estimates an increase in cash fund expenditures for postage and handling in the amount of \$11,250, an identical increase in cash fund revenues is also estimated.

2. Authorizing the DMV to issue a previously salvaged certificate of title for vehicles which has been inspected under 60-146.

The DMV estimates a reduction in the number of titles requested each year in the amount of 10,000. The current title fee is \$10, this equates to a revenue reduction in the amount of \$100,000 each year. Title fees are remitted to the DMVCF, the General Fund, The Motor Vehicle Fraud Cash Fund (MVFCF), the Nebraska State Patrol Cash Fund (NSPCF) and the Motor Vehicle Industry Licensing Fund (MVILF). The chart below provides an estimated revenue reduction for each fund type.

Fee Distribution	Revenue Loss
County General Fund	\$32,500
DMVCF	\$40,000
General Fund	\$20,000
MVILF	\$1,000
NSPCF	\$4,500
MVFCF*	\$2,000

3. Changing the timeframe for which a LPE-Learner's Permit is valid, from 3 to 6 months.

Fees for the LPE-Learner's Permit (total \$12.50) are remitted to the DMVCF Cash Fund, the General Fund, and County General Fund(s). The DMV estimates a reduction of 900 LPE-Learner's Permit renewals per year. The chart below provides an estimated revenue reduction for each fund type.

Fee Distribution	Revenue Loss
County General Fund	\$225
DMVCF**	\$8,550
General Fund	\$2,475

*The DMV fiscal note refers to this cash fund as the "AG Consumer Protection Fund".

**DMV estimates break out the security surcharge (\$4.50 per document), this surcharge is remitted to the DMVCF. As such, the total revenue loss for the surcharge is reflected in the DMVCF total.

Note: The DMV expenditure estimates related to an increase in expenditures for the changes proposed by the bill total \$11,250. However, the expenditure columns reflect \$25,000 in FY22 and \$50,000 in FY23. As only an additional \$11,250 in each fiscal year expenditures is anticipated, the fiscal note will reflect these amounts.

Technical note: Section 19 of the bill will need to be amended if the intent of the change under subsection (8) of such section is to ensure only the fee's related to postage and handling being recouped by the DMV are remitted to the Motor Carrier Services Division Cash Fund (MCSDCF). As written, the \$3 and \$6 fees discussed in subsection (1)(a) would also be remitted to the MCSDCF instead of the Highway Cash Fund (HCF), as they are now. Based on the past 5 years of historical revenues from these fees, the HCF would see an estimated revenue loss of \$105,163.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 750	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Patrick Redmond	DATE: 1/14/2022	PHONE: (402) 471-4181
COMMENTS: The Department of Motor Vehicles assessment of fiscal impact from LB 750 appears reasonable.		

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2022

LB⁽¹⁾ 750 REVISED

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 13, 2022 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		(22,475)		(22,475)
CASH FUNDS	25,000	(19,800)	50,000	5,200
FEDERAL FUNDS				
OTHER FUNDS		(32,725)		(32,725)
TOTAL FUNDS	25,000	(75,000)	50,000	(50,000)

Explanation of Estimate:

The cost of postage to mail Historical and Choose Life plates will be revenue neutral. Revenue and expense estimates are \$4.50 per set of plates as outlined in LB 113 from 2021. Based on 2,500 set of these plates there will be \$11,250 in additional revenue and expenditures each year to the DMV Cash Fund.

This legislation will reduce the number of titles requested by 10,000 per year due to a reduction in the number of titles issued with a salvage brand. At \$10.00 each equals \$100,000. The annual revenue loss would be as follows:

County General Funds	\$32,500
State General Fund	\$20,000
A G Consumer Protection Fund	\$ 2,000
State Patrol Cash Fund	\$ 4,500
Motor Vehicle License Board	\$ 1,000
DMV Cash Fund	\$40,000

Based on the last 12 months approximately 900 applicants renewed their LPE. This would be a loss of revenue of \$11,250 (900 LPE at \$12.50).

By Fund Type:

County General Fund	\$ 225
DMV Cash Fund	\$4,500
Security Surcharge	\$4,050
State General Fund	\$2,475

This legislation allows the DMV to charge the actual cost of postage to mail apportioned plates to customers. This will be revenue neutral every fiscal year.

In Section 19 of the bill, page 37 line 2 the added language will need to have a technical amendment to change subsection (1) to subsection 1(b) and 1(c) to ensure these collections continue to be deposited into the Highway Cash Fund for apportionable commercial vehicles.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				

Operating.....	<u>25,000</u>	<u>50,000</u>
Travel.....	<u> </u>	<u> </u>
Capital outlay.....	<u> </u>	<u> </u>
Aid.....	<u> </u>	<u> </u>
Capital improvements.....	<u> </u>	<u> </u>
TOTAL.....	<u>25,000</u>	<u>50,000</u>