

PREPARED BY: Sandy Sostad
 DATE PREPARED: February 18, 2010
 PHONE: 471-0054

LB 998

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 998 provides that the Department of Motor Vehicles (DMV) shall be the exclusive issuer of operators' licenses and state identification cards beginning on an implementation date designated by the Director of DMV. The licenses and cards are to be issued at regional service centers as prescribed by the Director of DMV. The bill eliminates the responsibilities of counties related to the issuance of licenses and cards and provides that fees currently accruing to counties for the issuance of licenses and cards are to be deposited in the DMV Cash Fund.

County employees currently issue new, renewal and duplicate licenses and cards and collect the required fees for such licenses and cards. DMV employees examine applicants for licensure and take photos of applicants for the license or card. There are approximately 100 sites available for the issuance of licenses and cards in the state. Counties currently pay for the costs of leases or sites where driver license services are provided. LB 998 eliminates the activities of counties related to the issuance of drivers licenses and cards.

The fiscal impact of the bill is unknown because there is no specific plan for regional services identified in the bill. It is unknown how a new regional service system would be configured. DMV indicates that a study will need to be completed to develop a plan or alternatives for regional service centers. A study will identify sites for regional services, DMV staffing needs for each site, costs for facility leases, relocation expenses, operational costs, equipment needs and vehicle costs. The study will also examine changes which may occur in the contract with the vendor for licenses and cards.

The bill will have a fiscal impact for counties in terms of decreased revenue from license and card fees. DMV indicates counties will have decreased revenue of about \$1.3 million each year. It is assumed counties will be able to reduce staff pursuant to the bill, but it is unknown if the amount saved by reducing staff will offset the loss in revenue from fees.

DMV will receive increased revenue of about \$1.3 million per year pursuant to the bill. It is also unknown whether the increase in revenue for the department will be sufficient to cover increased expenses for a department-run regional service center system.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David Spatz	DATE	2/2/10	PHONE	471-2526
COMMENTS					
HHS – Concur. No fiscal impact.					