

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: February 1, 2021

Agency Submitting: Department of Motor Vehicles, Office of Project Management

Items of Revenue or Expense, or Both	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Effect on Future Biennia
Reno SGST (Revenue)		\$9,246,076	\$9,246,076	\$18,492,152
DMV Commission - Reno SGST (Revenue)		\$590,175	\$590,175	\$1,180,350
Sparks SGST (Revenue)		\$3,595,696	\$3,595,696	\$7,191,393
DMV Commission - Sparks SGST (Revenue)		\$229,513	\$229,513	\$459,025
Motor Carrier Vendor Cost (Expense)	\$60,000			
Total	\$60,000	\$13,661,460	\$13,661,460	\$27,322,920

Explanation

(Use Additional Sheets of Attachments, if required)

Senate Bill 11/BDR 32-433 proposes to authorize, in counties with a population of 100,000 or more but less than 700,000 (Washoe County), certain incorporated cities to impose a supplemental governmental services tax (SGST) of \$0.01 per \$1.00 of valuation of a vehicle based in the city, if, before the effective date of the bill, the board of county commissioners has not enacted an ordinance to impose the SGST. Proceeds from the tax are to be used for road construction and maintenance and certain homelessness and welfare programs. The bill is effective upon passage and approval.

Implementation of this bill, if county commissioners authorize the imposition of this additional SGST, will require programming across all Department platforms to calculate the tax, identify on renewal notices and online fee estimators, creation of new account codes for collection and distribution of new revenue, and modifications to Department procedures, forms and manuals. The current language in the bill indicates that these provisions are specific to Washoe County, however the Department notes that other counties may qualify later as population changes over time. In addition, while the bill is effective on passage/approval, Department implementation will depend on the effective date provided by cities involved and programming time. DMV has assumed an effective date of 7/1/2021 for the purposes of this fiscal note.

The Department estimates a total of 1,008 in-house programming hours is required in addition to programming to be completed by the Motor Carrier Division registration program vendor. While DMV is willing to absorb the cost of in-house programming hours, the full impact cannot be determined until the cumulative total of approved 2021 legislation is assessed. DMV may request an appropriation or return to the Interim Finance Committee in the 2021-2023 biennium should the cumulative workload increases necessitate additional resources.

Name Angela Smith

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, January 29, 2021

The agency response appears reasonable.

Name Tiffany Greenameyer

Title Deputy Director

BDR /Bill/ Amendment #:

SB 11/BDR 32-43: Vehicles

Division Name:

OPM

Date:

1/20/2021

Basis for Calculation:

(1) Current Incorporated Cities in Washoe County are Reno and Sparks. Reno accounts for approximately 54% of the total population in Washoe County while Sparks accounts for approximately 21% of the total population in Washoe County. Total BGST Washoe County collection in FY20 was \$76,405,316; 75% of that total is \$57,303,987.

(2) Total BGST Washoe County collection in FY20 was \$76,405,316. Using the percentages identified above, the FY20 BGST total for Reno is \$41,258,870 and the FY20 BGST total for Sparks is \$16,045,116.

(3) SGST calculations are 25% of BGST figures. Multiplying adjusted totals by 25% calculates projected new Reno SGST revenue of \$10,314,718 and the projected new Sparks SGST revenue of \$4,011,279 for a total of \$14,325,997.

(4) Department Blue Book growth rates for BGST are as follows: FY21= -2.95%; FY22= -1.74%; FY23= no growth or decline (flat)

(5) Estimated Reno revenue figures for future FY's based on Department's growth rate applied to base estimate of \$10,314,718.

FY21: $\$10,314,718 \times -2.95\% = \$10,010,433$

FY22: $\$10,010,433 \times -1.74\% = \$9,836,251$

FY23: \$9,836,251 (no growth or decline)

(6) Estimated Sparks revenue figures for future FY's based on Department's growth rate applied to base estimate of \$4,011,279.

FY21: $\$4,011,279 \times -2.95\% = \$3,892,946$

FY22: $\$3,892,946 \times -1.74\% = \$3,825,209$

FY23: \$3,825,209 (no growth or decline)

(7) Estimated revenue figures for future FY's are based on Department's growth rate (#3 above) applied to base estimate of \$14,325,997.

(8) DMV receives a 6% commission for all BGST/SGST revenue. Projected DMV Commission = Projected Total SGST amount multiplied by 6%

(9) Reno/Sparks SGST Revenue = Projected Total - Projected DMV Commission

(10) Motor Carrier registration program vendor estimates a cost of \$35,000-\$60,000 to implement this fee. This fiscal note uses the high estimate of \$60,000.

Summary of Totals

Category	FY 20/21 (Based on FY20 Actuals)	FY 21/22	FY 22/23	Future Biennia (FY24 + FY25)
New Reno SGST Revenue		\$ 9,246,075.94	\$ 9,246,075.94	\$ 18,492,151.88
DMV Commission		\$ 590,175.06	\$ 590,175.06	\$ 1,180,350.12
Total Reno SGST		\$ 9,836,251.00	\$ 9,836,251.00	\$19,672,502
New Sparks SGST Revenue		\$ 3,595,696.46	\$ 3,595,696.46	\$ 7,191,392.92
DMV Commission		\$ 229,512.54	\$ 229,512.54	\$ 459,025.08
Total Sparks SGST		\$ 3,825,209.00	\$ 3,825,209.00	\$7,650,418
Motor Carrier Vendor Cost	\$ 60,000.00	\$ -	\$ -	\$ -