

BDR 43-837

AB 336

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 29, 2023

Agency Submitting: Department of Motor Vehicles, Research and Project Management

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
Contractor Programming (Expense)		\$61,387		
Increase DAC Renewal Fees (Revenue)		\$109,554	\$190,133	\$920,493
Total	0	\$48,167	\$190,133	\$920,493

Explanation

(Use Additional Sheets of Attachments, if required)

BDR 43-837 relates to the duration a Driver Authorization Card will be issued. Current duration of a Driver Authorization Card is 4 years for anyone over or under 65 years of age, except for sex offenders who will still receive a 1-year Driver Authorization Card per NRS 483.283. This bill changes the 4 year issuance of a Driver Authorization Card for under the age of 65 to an 8-year issuance. For 65 years of age or older, the 4-year issuance will remain the same. The passing of this bill becomes effective January 1, 2024.

The DMV has reviewed the bill and determined that there will be an impact as written. Changes to the CARRS application are needed to program the 8-year duration of the DAC for 64 years of age and younger. DMV will use a contractor to complete the IT system and MyDMV portal programming enhancements. In addition to this, updates will be needed for existing policies and procedures. There will be a revenue increase for DACs being issued for FY24-FY27 followed by a revenue decrease in DAC renewals beginning in FY28.

DMV is currently engaged in its "transformation effort" (DTE), to revise business processes, reorganize, and move systems to a cloud solution. This will greatly improve DMV services and allow customer transactions online. DTE project delivery will continue into 2026 and involves over 100 staff and contractors. The proposed effective date will require programing, testing and implementation in the legacy system and DTE. This creates risk and additional work. Due to DTE, DMV is unable to absorb work for changes. Work completed will be done by new contract programmers.

Name Tyler Saunders

Title Management Analyst III

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Tuesday, March 28, 2023

Name Amy Stephenson

Title Director

BDR /Bill/ Amendment #: 43-837

Agency Name: **Department of Motor Vehicles**

Division Name: **RPM**

Date: **3/20/2023**

Basis for Calculation:

(1) 560 hours of MSA contractor programming estimated to complete requirements of the bill, including development, testing and training for the MSA contractor. Programmer hourly cost is \$109.62; multiplied by 880 gives a projected impact of \$61,387.20.

(2) While there will be an increase in revenue for the first four years of renewals, there will be a decrease in revenue for the following four years due to the extended expiration date for driver authorization cards.

Category	FY 22/23 (Based on FY22 Actuals)	FY 23/24	FY 24/25	Future Biennia (FY26 + FY27)
Expense (Contract Programmer Cost)	\$ -	\$ (61,387.20)	\$ -	\$0
Revenue	\$ -	\$ 109,554.00	\$ 190,133.00	\$ 920,493.00
Totals	\$ -	\$ 48,167	\$ 190,133	\$ 920,493

State Agency's Estimates

**Executive Agency
Fiscal Note**

BDR

43-837

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SB

Agency Submitting: Department of Motor Vehicles

Division Submitting:

RPM

Date:

3/20/2023

It was determined there will be an increase in revenue beginning in FY24. Currently a 4-year DAC cost \$22.25 and there will be a \$19.00 increase to align with 8-year DL/ID fees (\$41.25). Six months of FY24 and all of FY 25 through FY 27 were calculated by multiplying the increase for 8-year renewals (\$19.00) by the number of eligible DACs for an 8-year renewal.

DAC Revenue	Cost of DAC Renewal	Eligible Number of DAC Being Renewed	Total Revenue
FY 24 Projected Increase in Revenue for DAC Renewals (8-year starting 1/1/24)	\$ 19.00	5766	\$ 109,554.00
FY25 Projected Increase in Revenue for DAC Renewals	\$ 19.00	10007	\$ 190,133.00
FY26 Projected Increase in Revenue for DAC Renewals	\$ 19.00	34750	\$ 660,250.00
FY27 Projected Increase in Revenue for DAC Renewals	\$ 19.00	13697	\$ 260,243.00