

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		118,067		
CASH FUNDS	324,914	446,029		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	324,914	564,096		

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

LB 393 exempts anyone who is 21 years of age or older who is operating or riding on a motorcycle from wearing a helmet. Eye protection is required to be worn. Exempt persons shall have the words "helmet not required" printed on their motorcycle operator's license.

Expenditure Impact:

The **Department of Motor Vehicles** (DMV) estimates a one-time expenditure of \$38,000 of cash funds in FY13-14 for modifications to the license production system to allow the motorcycle operator's license to include the words "helmet not required". DMV estimates that 52,474* individuals will request a replacement license in FY13-14 to include the "helmet not required" language so that they can ride without a helmet. The one-time cost to issue these replacement licenses is \$273,914 (\$5.22 each), resulting in total FY13-14 costs of \$311,914 cash funds. As indicated below, these expenses from the DMV Cash Fund will be more than offset by the revenue generated from the replacement license fee.

The **Department of Roads** will need to modify signs at 60 state border crossings to reflect the change in the helmet law. The estimated one-time costs for sign modification are \$13,000 cash funds.

Revenue Impact:

Based on the issuance of 52,474* replacement licenses the increased one-time fee revenue in FY13-14 would be distributed as follows.

	<u>FY13-14</u>
County General Fund (\$2.75)	\$144,304
DMV Cash Fund (\$8.50)	\$446,029
State General Fund (\$2.25)	<u>\$118,067</u>
Total	\$708,400

*Assumption: In 2011 the number persons with Class M endorsements that were over 21 equaled 87,457. DMV assumes that 60% of these individuals, or 52,474, would request a replacement driver's license so they could ride without a helmet. There is no basis to disagree with this assumption.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: LB 393	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles (024)	
REVIEWED BY: Joe Wilcox		DATE: January 30 th , 2013	PHONE: (402) 471-4178
COMMENTS: The agency provides a range of potential costs and revenues for the Department of Motor Vehicles, based on the number of licenses that might need to be replaced with the additional wording in the bill. The figures in the table on the fiscal note represent a mid-range or a 60% scenario, which appears reasonable.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: LB 393	AM:	AGENCY/POLT. SUB: Department of Roads (027)	
REVIEWED BY: Joe Wilcox		DATE: February 5 th , 2013	PHONE: (402) 471-4178
COMMENTS: The Department of Roads estimated one-time impact of \$13,000 for signage changes appears reasonable.			

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken Date Prepared: 04-Mar-13 Phone: 471-3902 Fax: 471-9594
 Email: gary.ryken@nebraska.gov

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2013-2014		FY 2014-2015	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$ 118,067		
CASH FUNDS	\$ 311,914	\$ 446,029		\$ -
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 311,914	\$ 564,096	\$ -	\$ -

Explanation of Estimate:

LB 393 requires the printing of "helmet not required" under the Class M endorsement on the operator's license. This will require modifications to the card production system by the card vendor. Previous estimates for similar changes were estimated at \$38,000. There are concerns whether there is adequate space print the script on the card in the place required by the bill. If further modifications are needed, the cost could be significantly higher. There were 87,457 person's with Class M endorsements on their operator's licenses at the end of 2011 over the age of 21. LB 393 requires that a person otherwise exempt from wearing a helmet "shall" have the words "helmet not required" printed on their operator's license to comply with the law. Those individuals with existing class M endorsements wishing to ride without a helmet will need to get a replacement card with the new wording. This could result in a large number of individuals attempting to get replacement car in a short period of time who may not be able to be in compliance with the law.

	Number	Card Cost to DMV	Total Revenue
Number of Class M Endorsements Over 21	87,457		
If 50% request replacements	43,729	\$ 228,265	\$ 590,342
If 60% request replacements	52,474	\$ 273,914	\$ 708,399
If 70% request replacements	61,220	\$ 319,568	\$ 826,470

Using 60% results in the following revenue distribution for replacement cards.

	FY14	FY15
County General Fund	\$ 144,304	
DMV Cash Fund	\$ 446,029	
State General Fund	\$ 118,067	
Total	\$ 708,400	\$ -

MAJOR OBJECTS OF EXPENDITURE

POSITION TITLE	NUMBER OF POSITIONS		FY 2013-2014	FY 2014-2015
	13-14	14-15	EXPENDITURES	EXPENDITURES
Benefits				
Operating			\$ 311,914	
Travel				
Capital Outlay				
Aid				

Capital Improvements		
Total	\$ 311,914	\$ -

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Technical Note: It is unknown at this time if there is adequate space under the Class M endorsement on the operator's license to print the words "helmet not required". Additional modifications by the vendor may be required to meet this requirement thereby increasing the expense to change the card.

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LB⁽¹⁾ 393 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Roads

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 1/31/2013 Phone: ⁽⁵⁾ 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	\$13,000	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	\$13,000	_____	_____	_____

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 393 changes the helmet provision for a person who is at least twenty-one years of age to be exempt from wearing a protective helmet while operating a motorcycle or moped on any highway in this state and the words "helmet not required" printed on their Class M operator's license. This bill adds that a person shall not operate a motorcycle or moped on any highway in this state unless such person is wearing eye protection meaning glasses that cover the orbital region of a person's face, a protective face shield attached to a helmet, goggles, or a windshield.

If this bills passes, the Department of Roads would need to modify signs at 60 state border crossings. A replacement of the current signs, adding age limits, would cost \$13,000.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	\$13,000	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	\$13,000	_____