

Updated for the 2014 Session. Includes any amendments adopted to-date.

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		122,850		11,250
CASH FUNDS	336,012	464,100	26,100	42,500
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>336,012</b>	<b>586,950</b>	<b>26,100</b>	<b>53,750</b>

**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 FY14-15 for modifications to the license production system to allow the motorcycle operator's license to include the words "helmet not required". In addition, DMV estimates that 54,600\* individuals will request a replacement license in FY14-15 to include the "helmet not required" language so that they can ride without a helmet. The cost to issue these replacement licenses is \$285,012 (\$5.22 each), resulting in total FY14-15 costs of \$323,012 cash funds when the \$38,000 cost mentioned above is included.

In FY15-16, DMV estimates an additional 5,000\* replacement license requests. The resulting cost is \$26,100 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 54,600 replacement licenses in FY14-15 and 5,000 in FY15-16 the increased revenue would be distributed as follows.

	<u>FY14-15</u>	<u>FY15-16</u>
County General Fund (\$2.75)	\$150,150	\$13,750
DMV Cash Fund (\$8.50)	\$464,100	\$42,500
State General Fund (\$2.25)	<u>\$122,850</u>	<u>\$11,250</u>
Total	\$737,100	\$67,500

\*Assumption: There are approximately 91,000 persons with Class M endorsements that are 21 or older. DMV assumes that 60% of these individuals, or 54,600, would request a replacement driver's license in FY14-15 so they could ride without a helmet. An additional 5,000 are expected to request the change in the following year (FY15-16). There is no basis to disagree with this assumption.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2014-2015		FY 2015-2016	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$ 122,850		\$ 11,250
CASH FUNDS	\$ 323,012	\$ 464,100	\$ 26,100	\$ 42,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 323,012	\$ 586,950	\$ 26,100	\$ 53,750

Explanation of Estimate:

LB 393 changes provisions of the motorcycle helmet law to exempt riders 21 or older who wear eye protection. Riders exempt from the law shall have the words "helmet not required" printed under the Class M endorsement on the operator's license. This will require modifications to the card production system by the card provider. Estimates for similar changes were estimated at \$38,000. The cost could be considerably higher if adequate space is not found to print the script on the card in the designated location requiring realignment of the card data.

There are approximately 91,000 persons with Class M endorsements on their operator's licenses who are 21 or older. As the bill is written, anyone wanting to be exempt from wearing the helmet will need to have a replacement license issued with "helmet not required" printed on it. Issuance of replacement licenses will require additional cash appropriation to cover the cost of production.

For the purpose of this fiscal note it is estimated that 60% of the eligible riders would want replacement licenses.

Costs	Number	Rate	FY14-15	FY15-16
54,600 cards @ \$5.22	54,600	\$ 5.22	\$ 285,012	
	5,000	\$ 5.22		\$ 26,100
Revenue				
County General Fund	54,600	\$ 2.75	\$ 150,150	\$ 13,750
DMV Cash Fund	54,600	\$ 8.50	\$ 464,100	\$ 42,500
State General Fund	54,600	\$ 2.25	\$ 122,850	\$ 11,250
Total Revenue			\$ 737,100	\$ 67,500

MAJOR OBJECTS OF EXPENDITURE

POSITION TITLE	NUMBER OF POSITIONS		FY 2014-2015	FY 2015-2016
	14-15	15-16	EXPENDITURES	EXPENDITURES
Benefits				
Operating			\$ 323,012	\$ 26,100
Travel				
Capital Outlay				
Aid				
Capital Improvements				
Total			\$ 323,012	\$ 26,100