

Revised on 3/15/17 to reflect amendments adopted through 2/28/17

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$9,631	\$23,750		\$47,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$9,631	\$23,750		\$47,500

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

LB 46 provides for the issuance of Choose Life license plates. The plates may be either numerical or message plates. Applicants for numerical plates must pay an additional initial and renewal fee of \$5 which is deposited into the Health and Human Services (HHS) Cash Fund to be used to supplement federal funds available for the Temporary Assistance for Needy Families Program (TANF). Applicants for message plates pay an annual \$40 plate fee of which 75% is deposited in the HHS Cash Fund and 25% accrues to the Department of Motor Vehicles (DMV) Cash Fund.

All applicants for plates also pay the regular per plate fee, which is capped at \$3.50 by current statute. If the manufacturing cost of the plates exceeds the amount charged as a regular plate fee, then the difference between the manufacturing costs and the amount charged is credited to the Highway Trust Fund (HTF) instead of the NCAPF. The bill also has language providing for the plates to be designed to limit the manufacturing cost to equal to or less than the amount charged for the plates.

DMV Expenditures: LB 46 increases expenditures of the DMV by \$9,631 of cash funds in FY2017-18 to modify the Vehicle Titling and Registration and plate management computer systems to accommodate the new Choose Life plates.

DMV estimates there may be about 2,500 sets of Choose Life plates sold based upon their experience with other specialty license plates. Using this estimate, it is assumed half of this number (1,250) will apply in the initial fiscal year, assuming the plates will only be issued for six months in FY2017-18. It is also assumed that 60% of the plates issued will be numerical and 40% will be personalized.

Assuming the manufacturing cost is equal to the price charged for a plate, then expenditures by the HTF and revenue received by the fund from plate charges will equal \$8,750 (\$7.00/set x 1,250 sets) in FY2017-18 and double this amount in FY19 when an estimated 2,500 plates are manufactured. If the manufacturing expense is higher than the amount charged for a regular plate, then the difference between the manufacturing costs and the amount charged is credited to the HTF instead of the HHS Cash Fund.

Revenues: Increased revenue from the \$5 annual fee for a Choose Life numerical plate and \$40 fee for a personalized plate will be deposited in the DMV Cash Fund and the HHS Cash Fund. The estimated revenue assuming 1,250 sets of plates are applied for in FY2017-18 and 2,500 sets are applied for in FY2018-19 is as shown on the following page:

<u>TYPE OF PLATE</u>	Fee	Est. # of Sets	Revenue 2017-18	Revenue 2018-19
FY17				
Numerical Plate – HHS CF (TANF)	\$5.00	750	\$3,750	
Personalized Plate - DMV CF	\$10.00	500	\$5,000	
Personalized Plate –HHS CF (TANF)	\$30.00	500	\$15,000	
FY18				
Numerical Plate - HHS CF (TANF)	\$5.00	1,500		\$7,500
Personalized Plate - DMV CF	\$10.00	1,000		\$10,000
Personalized Plate – HHS CF (TANF)	\$30.00	1,000		\$30,000
Total Est. Revenue			\$23,750	\$47,500

The bill allows owners to apply to the county treasurer to transfer specialty plates from one owned vehicle to another. The application fee for the transfer is \$3. The fees are placed in the DMV Cash Fund. The number of transfers is unknown.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 046	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY: Lee Will		DATE: 1/13/2017	PHONE: 471-4175
COMMENTS: The Department of Motor Vehicles' estimate of fiscal impact appears to be reasonable given the assumptions used.			

Please complete ALL (5) blanks in the first three lines.

2017

LB⁽¹⁾ 46

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ _____ Phone: ⁽⁵⁾ (402)471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>17,551</u>	<u>3,300</u>	<u>10,080</u>	<u>4,200</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>17,551</u>	<u>3,300</u>	<u>10,080</u>	<u>4,200</u>

Explanation of Estimate:

Program 070

LB 46 provides for the issuance of Choose Life License Plates. The plates will be available as an Alphanumeric or Message plate. The addition of the new plate type will require modification to the existing VTR and Plate Management Computer systems. It is estimated that 115 hours of programming will be necessary to modify the systems to accommodate the new type.

Computer Programming 115 hrs @ \$83.75/hr \$9,631

Program 090

While it is difficult to estimate the number of Choose Life Plates will be sold, based upon past experience DMV estimates that 2,500 sets would be sold.

License Plate Production 5,000 Plates (2500 sets) \$3.60 each plate \$18,000 – 44% Production FY18 or \$7,920 and 56% Production FY 19 or \$10,080

Revenues Estimate 70% Numeric and 30% Message

FY18 770 Numeric Sets @ \$5 and 330 Message Set @\$40 (\$10 DMV - \$30 – HHS) = DMV-\$3,300 & HHS-\$13,750
 FY19 980 Numeric Sets @ \$5 and 420 Message Set @\$40 (\$10 DMV - \$30 – HHS) = DMV-\$4,200 & HHS-\$17,500
 FY19 1100 Renewals @ \$5 = DMV-\$0 & HHS-\$5,500

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	<u>17,551</u>	<u>10,080</u>
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>17,551</u>	<u>10,080</u>

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Karen Gatherer

Date Prepared:(4) 2-28-17

Phone: (5) 471-6351

	<u>FY 2017-2018</u>		<u>FY 2018-2019</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$13,750	\$13,750	\$23,000	\$23,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$13,750	\$13,750	\$23,000	\$23,000

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

Explanation of Estimate:

LB 0046 as amended by AM 37 provides for additional revenue for the purchase of "Choose Life" license plates. The Department of Motor Vehicles estimates 770 numeric plates and 330 alphanumeric plates will be purchased in FY18 for a total of \$13,750 of additional revenue, and 980 numeric plates, 420 alphanumeric plates, and 1100 renewals in FY19 for a total of \$23,000 of additional revenue. AM 37 directs the cash to be used to supplement federal funds available to the department for the Temporary Assistance for Needy Families program in Program 347.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2017-2018	2018-2019
	17-18	18-19	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....			\$13,750	\$23,000
Capital Improvements.....				
TOTAL.....			\$13,750	\$23,000