

Updated to reflect amendments adopted through March 6, 2020.

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	see below	see below	see below	see below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	see below	see below	see below	see below

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

As amended, LB944 contains various provisions from the following bills:

- LB768
- LB785
- LB831
- LB843
- LB903
- LB921
- LB942
- LB983
- LB976
- LB1067
- LB1088
- LB1139

The provisions from LB785, LB831, LB976, LB983, LB1067, and 1088 have no fiscal impact.

The provisions from bills with a fiscal impact are discussed below.

**LB 768**

- Changes certain civil penalty minimums/maximums authorized at 75-369.03 is subsections (2), (3), and (4).
  - The proceeds from these fines accrue to the county where the violation occurs and are for use by public schools. In communication with the State Patrol it was derived that a minimal to no fiscal impact is anticipated as the penalties provided for in these subsections are rarely assessed (i.e. rarity of the violation).

**LB944**

- Creates new statute where the Director of the Department of Motor Vehicles (DMV) is provided with the authority to suspend, revoke, cancel, or refuse to issue or renew a registration under the unified carrier registration plan and agreement. This authority is provided in situations where the applicant or registrant has, as applicable, had their license issued under the International Fuel Tax Agreement or registration issued under the International Registration Plan Act revoked, suspended, cancelled, or in instances where the Director refused to issue a new license or registration. Additionally violation of 75-392 through 75-399 would constitute a valid reason for refusal to issue or renew the registration. Lastly, the new statute delineates the processes and procedures for the notice, hearing and reinstatement of the registration as well as the establishment of a \$100 fee for reinstatement if within three (3) years of the original action.
  - A fiscal impact with regard to the \$100 fee may be present, but minimal. The bill prescribes the fee will be remitted to the Highway Cash Fund which provides funding for the Nebraska Department of Transportation. However, the impact is not determinable as the number of individuals who would potentially pay the fee in the future is unknown.

The Department of Transportation has indicated a possible increase in revenue remitted to the Highway Cash Fund due to individuals paying the \$100 fee to have their registration reinstated. However, the amount is expected to be minimal.

- Adds a natural disaster as a valid reason for the refund of the unused fees and taxes on an apportionable vehicle, apportionable vehicle from a fleet of apportioned vehicles, or snowmobile.

- o Lancaster County and Sarpy County have indicated a fiscal impact is absent except in the unlikely event of a natural disaster. In that event, the impact would be determined by the severity of the disaster.

**LB843, LB903, LB921, LB942, and LB1139** establish five (5) new license plate types that can be alphanumeric (\$5) or personalized message (\$40). Further, the distribution of the proceeds from the applicable plate type to specific cash funds, or an agency, for a directed purpose are as follows:

- SACF – Support the Arts Cash Fund – Receives a portion of the proceeds from the Support the Arts plates. The fund is administered by the Nebraska Arts Council and funds are to be expended to provide aid to communities that designate a focus area of the city for arts and cultural development, and to defray the costs directly related to the administration of the fund.
- SPIMF – State Park Improvement and Maintenance Fund – Receives a portion of the proceeds from The Good Life is Outside Plates. The fund is administered by the Nebraska Game and Parks Commission (NGPC) and proceeds from the plates are to be used only for the improvement and maintenance of state recreational trails as defined at 37-338.
- OTDAEF – Organ and Tissue Donor Awareness and Education Fund – Receives a portion of the proceeds from the Donate Life plates. The fund is administered by the Department of Health and Human Services (DHHS) to promote organ and tissue donation.
- UNMC – University of Nebraska Medical Center (UNMC) for the Down Syndrome Clinic – UNMC Receives a portion of the proceeds from the Down Syndrome Awareness plates to be utilized at their Down Syndrome Clinic.
- PFVCF – Pets for Vets Cash Fund – Receives a portion of the proceeds from the Pets for Vets plates. The fund is administered by the Department of Veterans Affairs (DVA) and proceeds will be utilized to administer a newly created program that provides financial support (in the form of grants) to veterans for the costs associated with adopting a pet animal.
- DMVCF – Department of Motor Vehicles Cash Fund – The fund is administered by the DMV and is used to carry out their duties.

**Revenue:**

- The distribution of revenue for each plate type is detailed in the chart directly below.

Revenue Distribution			
Plate Type	Alphanumeric	Personalized Message	
Support the Arts	100% - SACF	75% - SACF	
The Good Life is Outside	100% - SPIMF	75% - SPIMF	
Donate Life	100% - OTDAEF	75% - OTDAEF	25% - DMVCF
Down Syndrome Awareness	100% UNMC	75% - UNMC	
Pets for Vets	100% - PFVCF	75% - PFVCF	

- All applicants for plates pay the regular per plate fee (current fee is \$3.30), 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, the revenue remitted to the applicable cash fund (not including the DMVCF) is reduced by the difference between the manufacturing costs and the amount charged for a plate set, and is credited to the Highway Trust Fund (HTF). The bill also contains language providing for the plates to be designed to limit the manufacturing cost to be equal to or less than the amount charged for the plates.
  - o The DMV estimates the new plates will cost \$3.60 per plate to manufacture, making the difference \$0.60 per plate set. This requires an adjustment to the revenue deposited in each applicable cash fund in the amount of \$300 in FY21 and \$600 in FY22 based on the estimated number of plate sets to be issued.
- DMV estimates, which are based on historical trends, provide that 1000 sets of each type of plate will be sold each fiscal year. Because the bill provides that the plates will be available January 1, 2021, the estimated number of each type of plate for FY21 is 500. Additional assumptions by the DMV include; the plates issued in FY21 will be renewed in FY22 and 70 percent of plate sets will be alphanumeric and 30 percent personalized message. The table below provides estimated revenue amounts that would be credited to each cash fund based on these assumptions and accounting for the adjustment due to estimated plate manufacturing costs.

Revenue Estimates		
Fund	FY21	FY22
DMVCF	\$7,500	\$22,500
SACF	\$5,950	\$18,150
SPIMF	\$5,950	\$18,150
OTDAEF	\$5,950	\$18,150
UNMC	\$5,950	\$18,150
PFVCF	\$5,950	\$18,150
Total	\$37,250	\$113,250

- The bill allows owners to apply to the country treasurer to transfer any of the plates from one (1) owned vehicle to another. The application fee for the transfer is \$3.00. The fees are remitted to the DMVCF. The number of transfers that would occur is unknown, thus an estimate is not provided.

**Expenditures:**

- The DMV has indicated there will be costs in FY21 associated with modifying the Vehicle Titling and Registration and plate management computer systems to accommodate the new plate types. The department advised it anticipates can handle the estimated 400 hours of programming and testing with existing staff and resources. In conversation with the agency regarding their ability to absorb the 400 hours of programming and testing costs, it was specified that they do currently anticipate being able absorb the costs but that in the event they are not able to do so, a deficit request would be considered in the next legislative session. A basis to disagree with the agencies anticipated ability to absorb these costs is absent.
- Other expenditures include the cost of manufacturing the new plate types. The DMV estimates that each plate will cost \$3.60 to manufacture. This cost is attributable to the License Plate Cash Fund (LPCF). The table below provides expenditure estimates based on the number of plate sets the DMV estimates will be issued.

DMV Expenditure Estimates		
Plate Manufacturing	FY21	FY22
Estimate to Manufacture a Single Plate	\$3.60	
Estimated Plate Sets to Manufacture	2500	5000
Total Expenditures	\$18,000	\$36,000

- DHHS previously estimated revenue and expenditures in the amount of \$2,400 each fiscal year. The department indicated expenditures that mirror revenue. An analysis of the OTDAEF fund expenditures the past two years shows revenue in excess of expenditures. As such, expenditures from this fund are not being reflected.
- NGPC existing spending authority is sufficient to account for the minimal estimated increase in revenue credited to the SPIMF.
- It is being assumed that expenditures for the administration of the programs funded by the SACF and PFVCF will mirror revenues.
- It is being assumed that UNMC expenditures in their Down Syndrome Clinic will mirror revenues.

**Please note:** Any reference to what an agency or political subdivision has indicated is substantiated by a previously provided fiscal note (even if not included in the published version due to a deadline for receipt not being met) for the applicable bill. The only exception is for the State Patrol as it relates to LB768, where direct electronic communication with the agency occurred to substantiate the lack of fiscal impact.

The DMV, NDOT, and UNMC were asked to provide fiscal notes, if/when these are submitted a revised fiscal note will be published to include the agency fiscal notes.