

Updated to reflect all amendments adopted through March 6, 2020 and to include fiscal notes provided by the UNMC and NDOT.

**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.
  - 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.
  - 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 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.

Fiscal notes provided by UNMC and NDOT are attached, no fiscal impact is specified.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 944                      AM: 2307, 2414, 2612, 2761                      AGENCY/POLT. SUB: University of Nebraska

REVIEWED BY: Lucas Martin                      DATE: 3/16/2020                      PHONE: (402) 471-4181

COMMENTS: Given the University of Nebraska's assessment was undeterminable, we have no basis to disagree.

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

**2020**

**LB<sup>(1)</sup>** 944 AMs 2307, 2414, 2612 & 2761

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> University of Nebraska

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> March 11, 2020 Phone: <sup>(5)</sup> 402-472-7109

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate:

We are unable to determine fiscal impact because we are not able to estimate the demand for or the revenues from the Downs Syndrome plates.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2020**

**LB<sup>(1)</sup> 944 AM2307, AM2414, AM2612, AM2761**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Transportation

Prepared by: <sup>(3)</sup> Jenessa Boynton Date Prepared: <sup>(4)</sup> 3/11/2020 Phone: <sup>(5)</sup> 402-479-4691

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 944 AM2307 applies to NDOT in regards to each applicant for reinstatement, issuance, or renewal of a registration within three years after the date of suspension, revocation, cancellation, or refusal to issue or renew shall submit a fee of one hundred dollars which will be credited to the Highway Cash Fund. The amendment updates §60-6,290 and §60-6,294 to be in compliance with the Federal regulations within the FAST Act pertaining to increased length and weight limits on certain vehicles traveling on Interstate Highways. In addition the amendment permits the crossing of a controlled-access highway with more than two marked traffic lanes if the vehicle is operated in accordance with 60-6,356 (3).

LB 944 AM2414 added an operative date of three calendar months after adjournment of this legislative session for sections in which an operative date was not noted.

LB 944 AM2612 provides for Donate Life Plates, Down Syndrome Awareness Plates, Pets for Vets Plates, Support the Arts Plates, and The Good Life is Outside Plates. If the cost of manufacturing these plates exceeds the amount charged pursuant to section 60-3,102, the revenue from the additional plate fee shall be credited first to the Highway Trust Fund to cover the cost of manufacturing.

LB 944 AM2761 includes neurological impairments in defining a handicapped or disabled person.

LB 944 AM2307, AM2414, AM2612, and AM2761 have no fiscal impact to NDOT.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>