

Updated to reflect adoption of AM389.

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

	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	LPCF - \$3,600 JOCF - \$5,950	DMVCF - \$1,500 JOCF - \$5,950	LPCF - \$7,200 JOCF - \$18,150	DMVCF - \$4,500 JOCF - \$18,150
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$9,550	\$7,450	\$25,350	\$22,650

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

LB166 provides for the issuance of Josh the Otter - Be Safe Around Water license plates beginning January 1, 2022. The plates may be either alphanumeric or contain a personalized message. Additionally, the bill would require the Nebraska Game and Parks Commission (NGPC) to create a program for the purpose of providing financial support to for the education of children about water safety. Also created by the bill is the Josh the Otter – Be Safe Around Water Cash Fund which will be utilized to administer the program in the form of grants to non-profit organizations. Recipient organizations will utilize the grants to support educating children about water safety.

Applicants for:

- Alphanumeric plates pay an additional initial and renewal fee of \$5 which is credited to the newly created cash fund.
- Personalized message plates pay an additional annual \$40 plate fee of which 25% (\$10) is credited to the Department of Motor Vehicles Cash Fund (DMVCF) and 75% (\$30) to the newly created cash fund.

AM389 authorizes the Department of Motor Vehicles (DMV) to recoup the cost of postage and handling when license plates and a registration certificate are mailed by Cornhusker State Industries directly to an individual, instead of by a county. The DMV would charge a fee in an amount that is not more than necessary to recover costs.

**Revenue:**

All applicants for plates also 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 Josh the Otter Cash Fund (JOCF) 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 contains 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.

- 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 the JOCF in the amount of \$300 in FY22 and \$600 in FY23 based on the estimated number of plate sets to be issued.

DMV estimates, which are based on historical trends, provide that 1000 sets of plates will be sold each fiscal year. Because the bill provides that the plates will be available January 1, 2022, the estimated number of plate sets for FY22 is 500. Additional assumptions by the DMV include; the plates issued in FY22 will be renewed in in FY23 and 70 percent of plate sets will be alphanumeric and 30 percent personalized message. The table below provides estimated revenue amounts based on these assumptions.

Josh The Otter Plates Revenue Estimate	FY22	FY23
Alphanumeric Plates Issued/Renewed	350	1050
Message Plates Issued/Renewed	150	450
Josh the Otter Cash Fund Portion (less HTF Credit)	\$5,950	\$18,150
DMVCF Portion	\$1,500	\$4,500

The bill allows owners to apply to the country treasurer to transfer specialty plates from one owned vehicle to another. The application fee for the transfer is \$3.00. The fees are placed in the DMVCF. The number of transfers is unknown, thus an estimate is not provided.

(continued)

Revenue/Expenditures related to AM389 are estimated by the DMV to be \$1,125 in FY22 and \$2,250 in FY23. The agency has indicated it is able to absorb the impact related to AM389 within its existing appropriation.

**Expenditures:**

The DMV has indicated there will be costs in FY22 associated with modifying the Vehicle Titling and Registration and plate management computer systems to accommodate the new Josh the Otter plates. The department indicates it can handle the estimated 80 hours of programming and testing with existing staff and resources.

Other expenditures include the cost of manufacturing the Josh the Otter plates. The DMV estimates that each plate will cost \$3.60 to manufacture. This cost is attributable to the License Plate Cash Fund (LPCF) which receives transfers from the HTF only for the purposes of producing the license plates and the validation decals that are affixed to each plate. The table below provides expenditure estimates based on the number of plate sets the DMV estimates will be issued.

Josh the Otter Plates Expenditure Estimate	FY22	FY23
Estimate to Manufacture a Single Plate		\$3.60
Estimated Plate Sets to Manufacture	500	1000
Total Expenditures	\$3,600	\$7,200

Expenditures related to the mailing of the plates to individuals will mirror revenue. The increase in expenditures can be accommodated within the agency appropriation.

It is being assumed that expenditures by the NGPC for the administration of the program funded by the Josh The Otter plates will mirror revenues.

**Revised Agency Fiscal Notes:**

A revised fiscal note was only requested from the DMV as they are the only agency affected by AM389. The revised fiscal note provided only speaks to AM389. The original fiscal notes provided by the DMV, NDOT, and the NGPC remain valid and are incorporated by this reference. The information below further discusses said original fiscal notes.

The estimates provided on the fiscal note provided by the DMV were used as a basis for determining the impacts. The one exception is:

- The reduction in revenue to the JOCF due to the cost of manufacturing exceeding what is currently charged does not appear to be accounted for.

The NGPC provided a fiscal note with estimated revenues that are based on a similar interest level as to that of the Mountain Lion Conservation Plate. With regard to the administration of the program created by the bill, the agency indicates the expenditures are not determinable at this time due to the inability to know precisely what revenue will be actualized.

NOTE: The estimates in this fiscal note are based on agency assumptions with the understanding that; 1) it is difficult to gauge interest in new plate types, 2) The number of vehicles registered in the state has remained relatively static, and 3) There are currently 42 different plate types currently available.

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

**2021**

**LB<sup>(1)</sup> 166 AM 389**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Bart Moore Date Prepared: <sup>(4)</sup> March 3, 2021 Phone: <sup>(5)</sup> 402-471-3902

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

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	1,125	1,125	2,250	2,250
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>1,125</b>	<b>1,125</b>	<b>2,250</b>	<b>2,250</b>

**Explanation of Estimate:**

The Department estimates 50% of applicants will request to have their plates mailed directly. We also estimate the cost of each set of plates to be \$4.50. Based on past history of plates sold, there will be 250 sets mailed during Fiscal Year 2021-22 and 500 sets mailed during Fiscal Year 2022-23.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			1,125	2,250
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>1,125</b>	<b>2,250</b>