

Updated to reflect adoption of AM398.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			LPCF - \$3,600 SNHCF - \$5,950	SNHCF - \$5,950 DMVCF - \$1,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$9,550	\$7,450

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

LB317 provides for the issuance of Nebraska History license plates beginning January 1, 2023. The plates may be either alphanumeric or contain a personalized message. Also created by the bill is the Support Nebraska History Cash Fund (SNHCF) which will be utilized by the Nebraska State Historical Society to promote the history of Nebraska on the Internet, support history education of children in Nebraska, and for costs directly related to the administration of the fund.

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.

AM398 authorizes the Department of Motor Vehicles (DMV) to recoup the cost of postage and handling when license plates and a registration certificate is 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 and the recovered costs are to be credited to DMVCF.

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 SNHCF 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 SNHCF in the amount of \$300 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, 2023, the estimated number of plate sets for FY23 is 500. An additional assumption by the DMV include that 70 percent of plate sets will be alphanumeric and 30 percent personalized message. The table below provides estimated revenue amounts based on these assumptions.

Nebraska History Plates Revenue Estimate	FY23
Alphanumeric Plates Issued	350
Message Plates Issued	150
SNHCF Cash Fund Portion (less HTF Credit)	\$5,950
DMVCF Portion	\$1,500

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 AM398 are estimated by the DMV to be \$1,125 in FY23. The agency has indicated it is able to absorb the impact related to AM398 within its existing appropriation.

Expenditures:

The DMV has indicated there will be costs in FY23 associated with modifying the Vehicle Titling and Registration and plate management computer systems to accommodate the new Nebraska History 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 Nebraska History 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.

Nebraska History Plates Expenditure Estimate	FY23
Estimate to Manufacture a Single Plate	\$3.60
Estimated Plate Sets to Manufacture	500
Total Expenditures	\$3,600

It is being assumed that expenditures by the Nebraska State Historical Society from SNHCF 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 AM398. The revised fiscal note provided only speaks to AM398. The original fiscal notes provided by the DMV, NDOT, and Nebraska State Historical Society remain valid and are incorporated by this reference. The information below further discusses said original fiscal notes.

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

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

The Nebraska State Historical Society has provided revenue estimates that mirror the DMV revenue estimates provided. Expenditure are not discussed in the agency fiscal note, however as indicated above, it is being assumed that expenditures will mirror revenues.

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.

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2021

LB⁽¹⁾ 317 AM 398

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of 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 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
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	1,125	1,125

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 2022-23. This LB has an effective date of January 1, 2023.

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
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	1,125