

Updated for the 2008 Session. Includes amendments adopted to date.

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2008-09</b>		<b>FY 2009-10</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$245,133	\$173,425	\$195,269	\$241,670
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$245,133</b>	<b>\$173,425</b>	<b>\$195,269</b>	<b>\$241,670</b>

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 253 establishes a Motorcycle Safety and Training Act to replace the Motorcycle Safety Education Act on January 1, 2009. It repeals the Motorcycle Safety Education Fund on that date and provides that the balance of the fund will be deposited into a newly created Motorcycle Safety and Training Fund.

The bill also increases the motorcycle registration fee by \$5.00 effective October 1, 2008. Increased fees are placed in the Motorcycle Safety Education Fund or the Motorcycle Safety and Training Fund. The part (\$3.50) of the motorcycle operator's license fee that is currently deposited in the Motorcycle Safety Education Fund will be deposited in the Motorcycle Safety and Training Fund effective January 1, 2009. A new \$50 fee for the approval of a motorcycle safety courses is also established with fees to be deposited in the new fund beginning January 1, 2009.

A modification is required to the Class M motorcycle license to include the words "helmet not required" if a person is exempt from wearing a helmet pursuant to the bill. The bill also changes provisions requiring DMV to provide up to a \$1,500 grant to organizations providing motorcycle safety courses. Currently, grants are awarded until there are 10 sites in the state. The bill requires the grant awards until there are 20 sites. The minimum fine for violating motorcycle licensing provisions is increased from \$10 to \$75. Persons or firms violating the provisions of the new act are guilty of a Class III misdemeanor.

Beginning January 1, 2009, a person may ride without a motorcycle helmet if they are 21 or over, wear eye protection, and have successfully completed a motorcycle safety course. A grandfather clause allows persons born before January 1, 1987 who have a motorcycle license prior to January 1, 2008 to also ride without a helmet.

Revenue: The \$5 increase in the motorcycle registration fee, from \$6 to \$11, effective October 1, 2008 increases revenue for motorcycle safety training. A minimal increase in revenue from the \$50 fee for approval of motorcycle safety education courses is also projected. The estimated increase in revenue pursuant to the bill for the motorcycle training funds is as follows:

	<u>2008-09</u>	<u>2009-10</u>
Estimated # of Motorcycle Registrations (partial year FY09)	34,665	48,294
Estimated Increase-\$5 fee increase	\$ 173,325	\$ 241,470
Estimated Increase-Motorcycle safety course approvals	100	200
Total Estimated Revenue Increase for Motorcycle Training	\$ 173,425	\$ 241,670

Any increase in fine revenue pursuant to violations of the act or motorcycle licensing provisions will be paid to the counties where the violation occurred and accrue to the public schools.

Expenditures: DMV estimates a one-time expenditure of \$34,125 of cash funds in 2008-09 for computer programming for the mainframe and county computer systems to reflect the fee changes and the change on the motorcycle operator's license. It is estimated the one-time programming cost for the vendor to change the motorcycle operator's license to include the words "helmet not required" will be \$97,500 of cash funds.

The number of persons having Class M licenses and endorsements increased by an average of 7.5% each year, from 2000 to 2005. This average equates to an estimated 5,900 new motorcycle licensees in 2009. In 2005-06, the eight available motorcycle safety education courses trained 1,955 riders. It is assumed the number of classes offered by the motorcycle safety education program will need to increase beginning in 2008-09 to accommodate persons who want to ride without a helmet. It is assumed new courses will need to be offered to serve at least an additional 1,500 riders in 2009-10.

The fiscal note prepared by DMV appears reasonable in terms of projected costs for an expanded program. An additional FTE will be needed for administration at a projected cost of \$32,758 of cash funds in 2008-09 and \$44,769 of cash funds in 2009-10. An additional \$3,000 in 2008-09 and \$6,000 in 2009-10 will provide required subsidies to two new courses in 2008-09 and four new courses in 2009-10. Increased expenses of \$21,500 in 2008-09 and \$32,000 in 2009-10 will be incurred to train new instructors, provide technical reviews of programs and update training. Current law provides for a subsidy of up to \$75 to be paid to the course provider for each person who successfully completes a motorcycle safety education program. Projected increases for the subsidy based upon an additional 750 people being trained in 2008-09 and 1,500 in 2009-10 will total \$56,250 and \$112,500, respectively.

DMV indicates there is a possibility that some current 52,200 motorcycle licensees over age 21 who fall under the grandfather clause in the bill will apply for a replacement license which states that a helmet is not required. If so, additional revenue will be received by the DMV Cash Fund, General Fund and counties. It is assumed the number of current licensees applying for a duplicate will not be significant.

In summary, DMV will have a one-time increase in cash fund expenditures of \$131,625 in 2008-09 for computer programming. An additional \$113,508 of cash fund expenditures is estimated to expand the motorcycle safety education program in 2008-09 and \$195,269 in 2009-10.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Dave Spatz	DATE	12/19/07	PHONE	471-2526
COMMENTS					
DEPARTMENT OF MOTOR VEHICLES: Concur with Department of Motor Vehicles' analysis and estimates of increased revenue and expenditures fiscal impact.					