

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			See Below	\$4,200
FEDERAL FUNDS				
HIGHWAY TRUST FUND				\$1,400
TOTAL FUNDS				\$5,600

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

LB 215 provides for the issuance of Prostate Cancer Awareness license plates beginning on January 1, 2021. The plates may be either numerical or personalized message plates. Applicants for numerical plates pay no additional initial and renewal fee. Applicants for message plates pay an annual \$40 plate fee of which 75% is deposited in the Department of Motor Vehicles (DMV) Cash fund and 25% accrues to the Highway Trust Fund.

All applicants for plates also pay the regular per plate fee, which is capped at \$3.50 by current statute. 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.

DMV Expenditures: LB 215 increases expenditures of the DMV in FY2020-21 to modify the Vehicle Titling and Registration and plate management computer systems to accommodate the new Prostate Cancer Awareness plates. The department indicates it can handle the estimated 80 hours of programming and testing with existing staff and resources.

DMV estimates there may be about 2,800 sets of Prostate Cancer Awareness plates will be sold in the first two years based upon their experience with other specialty license plates. Using this estimate, it is assumed half of this number (1,400) will apply in the initial fiscal year. It is also assumed that 90% of the plates issued will be numerical and 10% will be personalized.

Assuming the manufacturing cost is equal to the price charged for a plate, then expenditures by the HTF and revenue received by the fund from plate charges will equal a maximum of \$9,800 (\$7.00/set x 1,400 sets) in FY2020-21 and double this amount in FY22 when an estimated 2,800 plates are manufactured.

Revenues: Increased revenue from the \$40 fee for Prostate Cancer Awareness plates will be deposited in the DMV Cash Fund and the Highway Trust Fund. The estimated revenue assuming 1,400 sets of plates are applied for and 10% of the plates are personalized is \$4,200 for the DMV Cash Fund and \$1,400 for the Highway Trust Fund in FY2020-21.

The bill allows owners to apply to the country treasurer to transfer specialty plates from one owned vehicle to another. The application for the transfer is \$3.00. The fees are placed in the DMV Cash Fund. The number of transfers is unknown.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 215	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY: Lee Will	DATE: 1/24/2019	PHONE: (402) 471-4175	
COMMENTS: The Department of Motor Vehicles' assessment of fiscal impact seems reasonable given the assumptions used.			

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

LB: 215 AM: AGENCY/POLT. SUB: Nebraska Department of Transportation

REVIEWED BY: Lee Will DATE: 1/29/2019 PHONE: (402) 471-4175

COMMENTS: The Department of Transportation's assessment of fiscal impact seems reasonable given the assumptions used.

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

2019

LB⁽¹⁾ 215

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 22, 2019 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	10,080	4,500
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	1,500
TOTAL FUNDS	=====	=====	10,080	6,000

Explanation of Estimate:

Program 070

Revenue will be based on 150 Message Plates sold during the first six months after the effective date of January 1, 2021. At \$40 per set the Highway Trust will receive \$1,500 (25% of the fee) and DMV will received \$4,500 (75%).

There will be 80 hours of programming and testing performed by DMV staff which will be absorbed within existing appropriation.

Program 090

Based on estimates from a previous like plate issuance, the Department will sell 150 message sets (300 plates) and 1250 numeric sets (2500 plates) at a cost of \$3.60 per plate. The total cost will be \$10,080.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	10,080
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	10,080

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

2019

LB⁽¹⁾ 215

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 1/24/2019 Phone: ⁽⁵⁾ 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	799.95
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	799.95

Explanation of Estimate:

LB 215 provides for Prostate Cancer Awareness Plates. A fee of forty dollars for personalized plates will be collected for issuance or renewal of each plate where 25% of the fee will be distributed to the Highway Trust Fund and 75% of the fee to the Department of Motor Vehicles Cash Fund.

The design shall be selected on the basis of limiting the manufacturing cost of each plate to an amount of less than or equal to the amount charged for license plates pursuant to section 60-3,102.

It was estimated by the Dept. of Motor Vehicles that there would be 150 sets of message plates sold during the period of 1/1/2021 – 6/30/2021. The Dept. of Transportation would receive approximately \$800.

Revenue from plates issued	150 plates @ \$40 = \$6,000
Distributed to the Highway Trust Fund	\$6,000 X 25% = \$1,500
Dept. of Transportation share	\$1,500 X 53 1/3% = 799.95

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u> <u>EXPENDITURES</u>	<u>2020-21</u> <u>EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____