

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	5,400	SPIMF – 8,925 DMVCF – 2,250	7,200	SPIMF – 21,275 DMVCF – 5,250
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	5,400	11,175	7,200	26,525

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

LB921 provides for the issuance of The Good Life is Outside license plates beginning on October 1, 2020. The plates may be either alphanumeric or personalized message plates.

Applicants for:

- Alphanumerical plates pay an additional initial and renewal fee of \$5 which is credited to the Nebraska Game and Parks Commission (NGPC) State Park Improvement and Maintenance Fund (SPIMF) for the purpose of trail improvement and maintenance.
- Personalized message plates pay an annual \$40 plate fee of which 25% (\$10) is credited to the Department of Motor Vehicles Cash Fund (DMVCF) and 75% (\$30) to the NGPC SPIMF for the purpose of trail improvement and maintenance.

Additionally, the bill amends NRS 37-327.03, which creates and directs the utilization of the funds available in the NGPC SPIMF. The language added provides that the proceeds remitted to the fund from The Good Life is Outside license plates may *only* be used for the improvement and maintenance of state recreational trails as defined at NRS 37-338.

Revenue:

All applicants for plates pay a 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 SPIMF 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 SPIMF in the amount of \$450 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 plates will be sold each fiscal year. Because the bill provides that the plates will be available October 1, 2020, the estimated number of plate sets for FY21 has been adjusted to 750. 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 based on these assumptions.

The Good Life is Outside Plates Revenue Estimate	FY21	FY22
Alphanumeric Plates Issued/Renewed	525	1225
Message Plates Issued/Renewed	225	525
SPIMF Portion (less HTF Credit)	\$8,925	\$21,275
DMVCF Portion	\$2,250	\$5,250

(continued on next page)

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.

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 The Good Life is Outside 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 Good Life is Outside 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.

The Good Life is Outside Plates Expenditure Estimate	FY21	FY22
Estimate to Manufacture a Single Plate	\$3.60	
Estimated Plate Sets to Manufacture	750	1000
Total Expenditures	\$5,400	\$7,200

NGPC existing spending authority is sufficient to account for the minimal estimated increase in revenue.

Agency Fiscal Notes (see attached):

The fiscal note DMV provided is similar to the information above except that:

- FY21 estimates (that are also incorporated into estimates for FY22 due to renewals) are based on the issuance of 500 plates. Based on the annual amount of 1,000 plate sets estimate, the 500 would only cover six (6) months. Because the date the plates are to be available is October 1, 2020 the FY21 estimates were adjusted to reflect nine (9) months of revenue/expenditures.
- The reduction in revenue to the SPIMF 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. Because it is difficult to gauge interest coupled with the fact that the number of vehicles registered in the state over CY16 through CY18 remaining relatively static, there is no basis to disagree.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 921	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission	
REVIEWED BY: Lucas Martin	DATE: 1/24/2020	PHONE: (402) 471-4181	
COMMENTS: Given the Game and Parks Commission's assumption, there is no basis to disagree with the fiscal impact outlined by the Game and Parks Commission.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 921	AM:	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles	
REVIEWED BY: Lucas Martin	DATE: 1/23/2020	PHONE: (402) 471-4181	
COMMENTS: Given the Department of Motor Vehicles' assumptions, there is no basis to disagree with the estimated fiscal impact.			

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2020

LB⁽¹⁾ 921 (REVISED) Life is Good Outdoors license plate

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Game and Parks Commission

Prepared by: ⁽³⁾ Patrick H. Cole Date Prepared: ⁽⁴⁾ January 22, 2020 Phone: ⁽⁵⁾ 402-471-5523

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	_____	124,500	_____	249,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	124,500	=====	249,000

Explanation of Estimate:

The proposed legislation would create a new "The Good Life is Outside" plate that would be offered to vehicle owners in a similar fashion and price structure as the current Mountain Lion Conservation and Wildlife Conservation Plates. Revenues generated would be credited to the Game and Parks State Park Improvement and Maintenance Fund (SPIMF) for the improvement and maintenance of state recreational trails. Two types of plates would be made available for issuance. Alphanumeric plates would provide five dollars to the SPIMF Fund for each plate issued. Personalized plates would cost an additional forty dollars, of which thirty dollars per plate issued would go to the SPIMF Fund. Applications for the new plates are expected to be available beginning October 1, 2020.

Revenue amounts will depend upon the number of plates issued (# Alphanumeric x \$5, and # Personalized x \$30). These amounts could be reduced if production costs exceed the amount charged.

Based on FY19 history of Mountain Lion Conservation Plate sales (no sales of Wildlife Conservation plates have occurred yet), assuming a similar interest level in the new plate options and limited shift in design choice, \$249,000 annually could be realized. With an October 1, 2020 application start date and needed quantities to proceed, for purposes of this fiscal note approximately 6 months of revenue or \$124,500, would be anticipated in FY 20/21.

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.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====

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

2020

LB⁽¹⁾ 921

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 16, 2020 Phone: ⁽⁵⁾ 402-471-3902

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	3,600	7,750	7,200	23,250
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>3,600</u>	<u>7,750</u>	<u>7,200</u>	<u>23,250</u>

Explanation of Estimate:

Program 070

There will be 80 hours of Programming and Testing for this new plate that can be absorbed within existing DMV appropriation.

Based on past history we estimate 500 sets of plates will be sold during FY 20-21 and 1000 sets of plates will be sold during FY 21-22.

FY20-21 – 500 sets – 350 Numeric at \$5 to G&P = \$1,750 and 150 Message at \$40 = \$4,500 to G&P and \$1,500 to DMV

FY21-22 – 1000 sets – 700 Numeric at \$5 to G&P plus 350 Renewals at \$5 = \$5,250 to G& P and 300 Message at \$40 plus 150 Renewals at \$40 = \$13,500 to G&P \$4,500 to DMV

Program 090 – 500 sets (1000 plates) at \$3.60 = \$3,600 FY20-21 and 1000 sets (2000 plates) at \$3.60 = \$7,200 FY21-22

G&P = Game and Parks State Park Improvement and Maintenance Fund / DMV = DMV Cash Fund

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.....			3,600	7,200
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>3,600</u>	<u>7,200</u>