

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	LPCF – 3,600 PFVCF – 5,950	PFVCF – 5,950 DMVCF – 1,500	LPCF – 7,200 PFVCF – 18,150	PFVCF – 18,150 DMVCF – 4,500
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.

LB1139 provides for the issuance of Pets for Vets license plates beginning on January 1, 2021. The plates may be either alphanumeric or personalized message plates. Additionally, the bill would require the Department of Veterans’ Affairs (DVA) to create a program for the purpose of providing financial support to veterans for the costs associated with adopting a pet animal. Also created by the bill is the Pets for Vets Cash Fund (PFVCF) which will be utilized to administer the program in the form of grants. The DVA is also provided authority to contract for the administration of the program.

Applicants for:

- Alphanumerical plates pay an additional initial and renewal fee of \$5 which is credited to the PFVCF.
- 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 PFVCF.

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 PFVCF 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 PFVCF in the amount of \$300 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 January 1, 2021, the estimated number of plate sets for FY21 is 500. 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.

Pets for Vets Plates Revenue Estimate	FY21	FY22
Alphanumeric Plates Issued/Renewed	350	1050
Message Plates Issued/Renewed	150	450
PFVCF 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.

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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 Pets for Vets 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 Pets for Vets 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.

Pets for Vets Plates Expenditure Estimate	FY21	FY22
Estimate to Manufacture a Single Plate	\$3.60	
Estimated Plate Sets to Manufacture	500	1000
Total Expenditures	\$3,600	\$7,200

It is being assumed that expenditures for the administration of the program funded by the PFVCF will mirror revenues.

Agency Fiscal Notes (see attached):

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 PFVCF due to the cost of manufacturing exceeding what is currently charged does not appear to be accounted for.

The DVA has provided a fiscal note with revenue estimates that are mirror the DMV estimated plates to be issued. However, the revenue estimates are different. Expenditures by the DVA are anticipated to mirror revenue.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1139 AM:	AGENCY/POLT. SUB: Department of Veterans Affairs (NDVA)	
REVIEWED BY: Elton Larson	DATE: 1/312020	PHONE: (402) 471-4173
COMMENTS: No basis to disagree with NDVA analysis and estimate of fiscal impact.		

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2020

LB⁽¹⁾ 1139

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 23, 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	<u>3,600</u>	<u>7,750</u>	<u>7,200</u>	<u>23,250</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u><u>3,600</u></u>	<u><u>7,750</u></u>	<u><u>7,200</u></u>	<u><u>23,250</u></u>

Explanation of Estimate:

Effective date of January 1, 2021 – Pets for Vets Plate

Program 070

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

Past history has shown that 1000 sets of these plates will be sold every fiscal year. Due to the effective date of January 1, 2021 we estimate 500 sets of plates will be sold. In addition, past history has shown that 70% of the plates sold are Numeric plates and 30% will be Message plates.

FY20-21 Revenue 500 sets sold – 350 Numeric plates at \$5 each will be credited to the Pets for Vets Cash Fund - \$1,750 and 150 Message plates at \$40 each will credited \$1,500 to DMV and \$4,500 to the Pets for Vets Cash Fund.

FY21-22 Revenue 1000 sets sold and 500 renewals – 700 Numeric plates sold plus 350 Renewals at \$5 each = \$5,250 will be credited to the Pets for Vets Cash Fund and 300 sets Message plates sold and 150 renewals = \$18,000, \$13,500 will be credited to the Pets for Vets Cash Fund and \$4,500 will be credited to the DMV.

Program 090

500 sets (1000 plates) at \$3.60 = \$3,600 FY 20-21 and 1000 sets (2000 plates) at \$3.60 = \$7,200 FY 21-22

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			<u>3,600</u>	<u>7,200</u>
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u><u>3,600</u></u>	<u><u>7,200</u></u>

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2020

LB⁽¹⁾ 1139 REVISED

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Veterans Affairs (NDVA)

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 01/30/2020 Phone: ⁽⁵⁾ 531-220-1433

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	\$3,250	\$3,250	\$6,500	\$6,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

It is estimated at this time that no additional staff would be necessary to perform this work. In order to distribute, cash spending authority would be required. The volume of plates sold as estimated by the DMV is 500 plates in the first year available beginning, Jan 2021 and 1000 for following years. Estimating 70% as numeric and 30% as message plates, the estimated revenue for FY2020-21 would be \$3,250 and FY2021-22 would be \$6,500.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				