

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$9,631	\$7,750		\$15,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$9,631	\$7,750		\$15,500

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

LB 355 provides for the issuance of Native American Cultural Awareness and History license plates beginning on October 1, 2017. The plates may be either numerical or message plates. Applicants for numerical plates must pay an additional initial and renewal fee of \$5 which is deposited into the Native American Scholarship and Leadership Fund (NASLF), which is established by the bill. Applicants for message plates pay an annual \$40 plate fee of which 75% is deposited in the NASLF and 25% accrues to the Department of Motor Vehicles (DMV) Cash Fund.

All applicants for plates also pay the regular per plate fee, 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, then the difference between the manufacturing costs and the amount charged is credited to the Highway Trust Fund (HTF) instead of the NASLF. The bill also has 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 355 increases expenditures of the DMV by \$9,631 of cash funds in FY2017-18 to modify the Vehicle Titling and Registration and plate management computer systems to accommodate the new Native American Cultural Awareness and History plates.

DMV estimates there may be about 1,000 sets of Native American plates sold based upon their experience with other specialty license plates. Using this estimate, it is assumed half of this number (500) will apply in the initial fiscal year. It is also assumed that 70% of the plates issued will be numerical and 30% 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 \$3,500 (\$7.00/set x 500 sets) in FY2017-18 and double this amount in FY19 when an estimated 1,000 plates are manufactured. If the manufacturing expense is higher than the amount charged for a regular plate, then the difference between the manufacturing costs and the amount charged is credited to the HTF instead of the NASLF.

Native American Scholarship and Leadership Fund: The bill provides for the Commission on Indian Affairs to administer the Native American Scholarship and Leadership Fund which is created by the bill. The fund is to be used to provide scholarships to Native Americans to attend postsecondary educational institutions in the state and provide leadership opportunities to Native Americans as determined by the Commission.

It is assumed the Indian Commission will not provide any grants or expend any revenue from the fund until FY2018-19. The department can request expenditure authority in the next budget cycle after there is more information upon which to estimate the number the plates sold, the revenue available for grants, and estimated administrative expenses.

Revenues: Increased revenue from the \$5 annual fee for a Native American numerical plate and \$40 fee for a personalized plate will be deposited in the DMV Cash Fund and the NASLF. The estimated revenue assuming 500 sets of plates are applied for in FY2017-18 and 1,000 sets are applied for in FY2018-19 is as shown on the following page:

<u>TYPE OF PLATE</u>	Fee	Est. # of Sets	Revenue 2017-18	Revenue 2018-19
FY17				
Numerical Plate - NASLF	\$5.00	350	\$1,750	
Personalized Plate - DMV CF	\$10.00	150	\$1,500	
Personalized Plate – NASLF	\$30.00	150	\$4,500	
FY18				
Numerical Plate - NASLF	\$5.00	700		\$3,500
Personalized Plate - DMV CF	\$10.00	300		\$3,000
Personalized Plate – NASLF	\$30.00	300		\$9,000
Total Est. Revenue			\$7,750	\$15,500

The bill allows owners to apply to the county treasurer to transfer specialty plates from one owned vehicle to another. The application fee for the transfer is \$3. The fees are placed in the DMV Cash Fund. The number of transfers is unknown.

<u>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES</u>		
LB: 355	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Lee Will	DATE: 01/20/2017	PHONE: (402) 471-4175
COMMENTS: Concur with the Department of Motor Vehicles' estimate of fiscal impact.		

<u>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES</u>		
LB: 355	AM:	AGENCY/POLT. SUB: Nebraska Department of Roads
REVIEWED BY: Lee Will	DATE: 01/25/2017	PHONE: (402) 471-4175
COMMENTS: Concur with the Nebraska Department of Roads' assessment of no fiscal impact.		

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

2017

LB⁽¹⁾ 355

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 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 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>13,231</u>	<u>1,500</u>	<u>3,600</u>	<u>3,000</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate:

Program 070

LB 355 provides for the issuance of Native American Cultural Awareness and History License Plates. The plates will be available as an Alphanumeric or Message plate. The addition of the new plate type will require modification to the existing VTR and Plate Management Computer systems. It is estimated that 115 hours of programming will be necessary to modify the systems to accommodate the new type.

Computer Programming 115 hours @ \$83.75/hr. = \$9,631

Program 090

While it is difficult to estimate the number of Native American Cultural Awareness and History Plates will be sold, based upon past experience DMV estimates that 1,000 sets would be sold.

License Plate Production - 2,000 Plates (1,000 sets) \$3.60 each plate = \$7,200 – 50% Production FY18 or \$3,600 and 50% Production FY 19 or \$3,600

Revenues Estimate 70% Numeric and 30% Message

FY18 350 Numeric Sets @ \$5 and 150 Message Set @\$40 (\$10 DMV - \$30 – CIA) = DMV-\$1,500 & CIA-\$6,250

FY19 350 Numeric Sets @ \$5 and 150 Message Set @\$40 (\$10 DMV - \$30 – CIA) = DMV-\$1,500 & CIA-\$6,250

FY19 350 Renewals@\$5 and 150 @ \$40 = DMV-\$1,500 & CIA-\$6,250

CIA = Commission on Indian Affairs – Native American Scholarship and Leadership Fund

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	<u>13,231</u>	<u>3,600</u>
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>13,231</u>	<u>3,600</u>

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2017

LB⁽¹⁾ 355

FISCAL NOTE

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

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 1/22/2017 Phone: ⁽⁵⁾ (402) 479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 355 provides for Native American Cultural Awareness and History Plates, creates a fund and provides for it use. A fee of forty dollars will be collected for issuance or renewal of each plate where 25% of the fee will be distributed to the Department of Motor Vehicle Cash Fund and 75% of the fee to the Native American Scholarship and Leadership Fund. If the cost of manufacturing these plates exceeds the amount charged pursuant to section 60-3,102, the difference shall be credited first to the Highway Trust Fund with the remainder credited to the Native American Scholarship and Leadership Fund.

No fiscal impact is anticipated to the Dept of Roads.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____