

Revised on 4/26/19 based upon amendments adopted through 4/15/19.

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				\$12,520
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				\$12,520

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

LB 138 pertains to license plates for veterans and the military. The bill, as amended, includes some of the provisions of LB 697 which eliminate the payment of any plate fees for individuals who have Pearl Harbor, Gold Star Family, Prisoner of War, Disabled American Veteran or Purple Heart license plates beginning January 1, 2021. Current law caps the license plate fee at \$3.50 per plate. Plates are currently issued for \$3.30 per plate, which is the cost of a generic license plate. Revenue from plate fees is deposited in the Highway Trust Fund.

The bill also eliminates a \$5 initial and renewal fee for numeric Gold Star Family plates beginning January 1, 2021. The \$5 fee for the numeric plates is deposited into the Nebraska Veteran Cemetery System Operation Fund (NVCSOF).

Revenues: The bill reduces revenue for the Highway Trust Fund (HTF) and the NVCSOF. It is estimated the elimination of the \$5 annual fee for Gold Star Family plates will decrease revenue for the NVCSOF by \$850 annually.

There will also be a loss in revenue for the Highway Trust Fund (HTF) from fees paid for license plates. The Department of Transportation estimates the annual loss to the HTF for the number of plates currently issued is about \$26,456. The estimated loss is \$13,228 in FY21 based on the effective date.

MILITARY HONOR LICENSE PLATES:

LB 138, as amended, provides for the issuance of six additional designs of Military Honor license plates beginning January 1, 2021. Five of the new designs shall honor persons who are serving or have served in the armed forces who have been awarded the Afghanistan Campaign Medal, the Iraq Campaign Medal, Global War on Terrorism Expeditionary Medal, Southwest Asia Service Medal or Vietnam Service Medal. The bill also incorporates the provisions of LB 696 which add a sixth new military plate that substitutes an Army National Guard and an Air National Guard plate for the existing National Guard plate.

The plates may be either numerical or personalized message plates. Applicants for numerical plates must pay an additional initial and renewal fee of \$5 which is deposited into the Nebraska Veteran Cemetery System Operation Fund (NVCSOF). Applicants for message plates pay an annual \$40 plate fee of which 75% is deposited in the NVCSOF 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 NVCSOF. The plates are to be designed to limit the manufacturing cost to equal to or less than the amount charged for the plates.

DMV Expenditures: LB 138 increases expenditures of the DMV in FY2020-21 to modify the Vehicle Titling and Registration and plate management computer systems to accommodate the new Military Honor plates. The department indicates it can handle the estimated 80 hours of programming and testing with existing staff and resources.

It is estimated there may be 1,000 additional sets of Military Honor plates sold based upon 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 a maximum of \$3,500 (\$7.00/set x 500 sets) in FY2020-21 and double this amount in FY22 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 NVCSOF.

Revenues: Increased revenue from the \$5 annual fee for a Military Honor numerical plate and \$40 fee for a personalized plate will be deposited in the NVCSOF and the DMV Cash Fund. The estimated revenue assuming 500 sets of plates are applied for in FY2020-21 and an additional 1,000 are ordered in FY22 is as shown on the following table:

<u>TYPE OF PLATE</u>	Fee	Est. # of Sets	Revenue 2020-21	Revenue 2021-22
FY21 Numerical Plate - NVCSOF	\$5.00	350	\$1,750	\$1,750
Personalized Plate - DMV CF	\$10.00	150	\$1,500	\$1,500
Personalized Plate – NVCSOF	\$30.00	150	\$4,500	\$4,500
FY22 Numerical Plate - NVCSOF	\$5.00	700		\$3,500
Personalized Plate - DMV CF	\$10.00	300		\$3,000
Personalized Plate – NVCSOF	\$30.00	300		\$9,000
Total Est. Revenue			\$7,750	\$23,250

SUPPORT OUR TROOPS LICENSE PLATES:

LB 138 also provides for the issuance of Support Our Troops license plates beginning on January 1, 2021. The plates may be either numerical or personalized message plates. Applicants for numerical plates must pay an additional initial and renewal fee of \$5 which is deposited into the Veterans Employment Program (VEP) Fund, which is created by the bill. Applicants for message plates pay an annual \$70 plate fee of which 75% is deposited in the VEP Fund and 25% accrues to the 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 VEP Fund. 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: These provisions increase expenditures of the DMV in FY2020-21 to modify the Vehicle Titling and Registration and plate management computer systems to accommodate the new Support Our Troops 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 1,000 sets of Support Our Troops plates issued in each of the first two years of the bill 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 a maximum of \$3,500 (\$7.00/set x 500 sets) in FY2020-21 and double this amount in FY22 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 VEP Fund.

Revenues: Increased revenue from the \$5 annual fee for a Support Our Troops numerical plate and \$70 fee for a personalized plate is deposited in the DMV Cash Fund and the VEP Fund. The estimated revenue assuming 500 sets of plates are applied for in FY2020-21 and an additional 1,000 are ordered in FY22 is shown on the table on the following page:

<u>TYPE OF PLATE</u>	Fee	Est. # of Sets	Revenue 2020-21	Revenue 2021-22
FY21				
Numerical Plate - VEPP	\$5.00	350	\$1,750	\$1,750
Personalized Plate - DMV CF	\$17.50	150	\$2,625	\$2,625
Personalized Plate – VEPP	\$52.50	150	\$7,875	\$7,875
FY22				
Numerical Plate - VEPP	\$5.00	700		\$3,500
Personalized Plate - DMV CF	\$17.50	300		\$5,250
Personalized Plate – VEPP	\$52.50	300		\$15,750
Total Est. Revenue			\$12,250	\$36,750

Veterans Employment Program Fund: LB 138 establishes the Veterans Employment Program Fund which is to be administered by the Department of Veterans’ Affairs. The fund is to be used for recruiting and education to attract veterans recently released from service to live and work in the state. Revenue from Support Our Troops license plates will be deposited into the fund.

Veterans’ Program Administrator and Website: The bill, as amended, includes some provisions of LB 626 which require the Department of Labor to have a position of veterans’ program coordinator. The bill also requires the Department of Veterans’ Affairs to develop a web site, in collaboration with the Department of Labor, which has a job-search tool specific to veterans. The job-search tool shall be developed using cash funds from the Veterans Employment Program Fund as soon as enough funds are available, but no later than June 30, 2024.

The Department of Labor indicates the requirement to have a veterans’ program coordinator has no fiscal impact because the agency currently has a federally funded veterans’ program coordinator. The Department of Veterans’ Affairs has a web site which will need to be expanded to include a job-search tool. The estimated fiscal impact is \$36,000 of cash funds to develop the web site job-search function. It is assumed sufficient cash funds to develop the job-search function will be available sometime after FY21.

Summary: The bill increases general fund expenditures by \$36,000 in FY2019-20. It also changes revenue for various entities as shown on the following table:

FY2020-21	Highway	DMV	Ne. Vet. Cemetery System Operations Fund	Vet. Employ. Program Fund	Total Change
PLATE CHANGES	Trust Fund*	Cash Fund			
Eliminate fee for Gold Star Family Plate			-425		-425
Eliminate Fee for Certain Military Plates	-13,228				-13,228
Military Honor Plates		1,500	6,250		7,750
Support Our Troops Plates		2,625		9,625	12,250
Total Change in Revenue	-\$13,228	\$4,125	\$5,825	\$9,625	\$6,347

FY2021-22	Highway	DMV	Ne. Vet. Cemetery System Operations Fund	Vet. Employ. Program Fund	Total Change
PLATE CHANGES	Trust Fund*	Cash Fund			
Eliminate fee for Gold Star Family Plate			-850		-850
Eliminate Fee for Certain Military Plates	-26,456				-26,456
Military Honor Plates		4,500	18,750		23,250
Support Our Troops Plates		7,875		28,875	36,750
Total Change in Revenue	-\$26,456	\$12,375	\$17,900	\$28,875	\$32,694

*The Highway Trust Fund is distributed to the Highway Cash Fund (53 1/3%) and to cities/counties (46 2/3%). The estimated fiscal impact for the Highway Cash Fund in the Department of Transportation is decreased revenue of \$7,055 in FY21 and \$14,108 in FY22. Cities/counties will have decreased revenue of \$6,173 in FY21 and \$12,348 in FY22.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 138	AM: 783	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles
REVIEWED BY: Lucas Martin	DATE: 4/12/2019	PHONE: (402) 471-4181
COMMENTS: The Department of Transportation's assessment of fiscal impact seems reasonable given the assumptions used.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 138	AM: 783	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles
REVIEWED BY: Lucas Martin	DATE: 4/12/2019	PHONE: (402) 471-4181
COMMENTS: The Department of Transportation's assessment of fiscal impact seems reasonable given the assumptions used.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 138	AM: 1226	AGENCY/POLT. SUB: Nebraska Department of Labor
REVIEWED BY: Lucas Martin	DATE: 4/15/2019	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Labor's assessment of no fiscal impact.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 138	AM: 1226	AGENCY/POLT. SUB: Nebraska Department of Veterans' Affairs
REVIEWED BY: Lucas Martin	DATE: 4/15/2019	PHONE: (402) 471-4181
COMMENTS: No reason to disagree with the Department of Veterans' Affairs fiscal impact assessment.		

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

2019

LB⁽¹⁾ 138 AM 783

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ March 26, 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	_____	0	3,600	12,250
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>0</u>	<u>3,600</u>	<u>12,250</u>

Explanation of Estimate:

Program 070

This legislation has an effective date of January 1, 2021. Based on previous plate issuances we are estimating 1000 sets of these plates will be sold. We estimate that 500 sets will be sold prior to the end of FY 20-21. The \$12,250 will be realized thru 350 numeric plates sold at \$5 each = \$1,750 to Veterans Employment Program Fund (VA) and 150 message plates at \$70 - \$52.50 each = \$7,875 to VA and \$17.50 each to DMV = \$2,625. There will be no renewals based on the effective date of this legislation.

There will also be 80 hours of programming and testing that will be performed by DMV staff within existing appropriations.

Program 090

Based on 500 sets (1000 plates) sold during this period, this program will incur a cost of \$3.60 per plate of \$3,600.

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.....	_____	_____	_____	3,600
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	3,600

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

2019

LB⁽¹⁾ 138 AM 783

FISCAL NOTE

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

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 4/9/19 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	_____	_____	_____	(\$7,055)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB138 AM783 includes provisions from LB697.

The amendment changes the effective date from the original LB697 from October 2019 to January 1, 2021 and includes that these plates - Pearl Harbor, Gold Star, Prisoner of War, Disabled Vets and Purple Heart – shall be permanently attached to the vehicle. The provisions in the bill waive any fee related to the production of these plates costing the Trust Fund \$3.78 each. The fiscal impact to the Dept. of Transportation will be 53 1/3% of the per plate fee distributed to the Trust Fund or \$7,055 for FY20-21.

No fiscal impact to NDOT with the changes this amendment makes to the original LB138.

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.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2019

LB⁽¹⁾ 138, AM1226

FISCAL NOTE

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

Prepared by: ⁽³⁾ Katie Thurber Date Prepared: ⁽⁴⁾ 4-10-2019 Phone: ⁽⁵⁾ 402-471-9912

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:
There will be no fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2019

LB⁽¹⁾ 138, AM1226

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 4/15/2019 Phone: ⁽⁵⁾ 402-471-2409

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	_____	_____	36,000	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>36,000</u>	<u>_____</u>

Explanation of Estimate:

Estimated cost of \$36,000 to add website job search function to existing web page. Cash funds in Veterans Employment Program Fund, if accumulated, could be used to offset State General Fund expenditures.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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