

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	\$2,325		\$6,975
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$2,325		\$6,975

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

LB 696 provides for the issuance of one additional design of Military Honor license plates. It is assumed the plates will be issued by January 1, 2020. The current National Guard plate is eliminated and two plates are authorized, one for the Army National Guard and one for the Air National Guard. 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 696 increases expenditures of the DMV in FY2019-20 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.

DMV estimates there may be about 300 additional sets of Military Honor plates sold in each of the next two years based upon their experience with other specialty license plates. Using this estimate, it is assumed half of this number (150) 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 \$1,050 (\$7.00/set x 150 sets) in FY2019-20 and double this amount in FY21 when an estimated 300 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 150 sets of plates are applied for in FY2019-20 and 300 sets are applied for in FY2020-21 is as shown on the table on the next page:

<u>TYPE OF PLATE</u>	Fee	Est. # of Sets	Revenue 2019-20	Revenue 2020-21
FY20 Numerical Plate - GPCEF	\$5.00	105	\$525	\$525
Personalized Plate - DMV CF	\$10.00	45	\$450	\$450
Personalized Plate – GPCEF	\$30.00	45	\$1,350	\$1,350
FY21 Numerical Plate - GPCEF	\$5.00	210		\$1,050
Personalized Plate - DMV CF	\$10.00	90		\$900
Personalized Plate – GPCEF	\$30.00	90		\$2,700
Total Est. Revenue			\$2,325	\$6,975

Owners are allowed to apply to the county treasurer to transfer specialty plates from one owned vehicle to another. The application for the transfer is \$3. 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: 696	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY: Lee Will	DATE: 1/30/2019	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: 696	AM:	AGENCY/POLT. SUB: Department of Transportation	
REVIEWED BY: Lucas Martin	DATE: 1/31/2019	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Transportation's assessment of fiscal impact.			

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

2019

LB⁽¹⁾ 696

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 28, 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	2,160	4,650	2,160	9,300
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,160	4,650	2,160	9,300

Explanation of Estimate:

Program 070

There will be 80 hours of Programming and Testing for this variation of the Military Honor Plate that can be absorbed within existing DMV appropriation.

Based on 300 Sets of plates sold each year during the fiscal years 19-20 and 20-21 the following additional revenue will be realized:

FY19-20 – 300 sets – 210 Numeric at \$5 to VA = \$1,050 and 90 Message at \$40 = \$2,700 to VA and \$900 to DMV

FY20-21 – 300 sets – 210 Numeric at \$5 to VA plus 210 Renewals at \$5 = \$2,100 to G& P and 90 Message at \$40 plus 90 Renewals at \$40 = \$5,400 to VA and \$1,800 to DMV

Program 090 – 300 sets (600 plates) at \$3.60 = \$2,160 FY19-20 and 300 sets (600 plates) at \$3.60 = \$2,160 FY20-21

VA = Cemetery Fund operated by Veteran’s Affairs & DMV = Dept. of Motor Vehicles

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.....			2,160	2,160
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			2,160	2,160

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

2019

LB⁽¹⁾ 696

FISCAL NOTE

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

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 1/30/19 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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 696 changes the provisions relating to Military Honor Plates. The Military Honor Plates are to honor those persons who serve in the different armed forces. This bill changes the National Guard to two more specific armed forces - the Army National Guard and the Air National Guard. Thus creating a 12th plate design of Military Honor Plates.

No fiscal impact is anticipated to the Department.

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.....	_____	_____	_____	_____