

Revised on 2/5/19 to reflect future general fund impact

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		(\$304,000)		(\$304,000)
FEDERAL FUNDS				
HIGHWAY TRUST FUND		(\$9,407)		(\$14,111)
TOTAL FUNDS		(\$313,407)		(\$318,111)

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

LB 697 pertains to license plates for veterans and the military. The bill eliminates the payment of any plate fees for individuals who have Pearl Harbor, Gold Star Family, Military Honor, Prisoner of War, Disabled American Veteran or Purple Heart license plates. 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. If the manufacturing cost of the plates exceeds the amount charged for the plates, the difference is made up from the Nebraska Veteran Cemetery System Operation Fund.

The bill also eliminates a \$5 initial and renewal fee for numeric Gold Star Family plates and Military Honor plates and a \$40 initial and renewal fee for personalized Gold Star Family and Military Honor plates. The \$5 fee for the numeric plates is deposited into the Nebraska Veteran Cemetery System Operation Fund (NVCSOF) and the \$40 message plate fee is remitted to the Department of Motor Vehicles (DMV) Cash Fund (25%) and the NVCSOF (75%).

Cash Fund Revenues: The bill reduces revenue for the Highway Trust Fund (HTF), the DMV Cash Fund and the NVCSOF. DMV estimates the elimination of the \$5 annual fee for numeric Military Honor plates and Gold Star Family plates and the \$40 fee for personalized message plates will decrease annual revenue received by the DMV Cash Fund by \$65,000 and the NVCSOF by \$239,000.

There will also be a loss in revenue for the Highway Trust Fund. Currently, the cost to the HTF for of a set of these veterans and military plates is \$7.56 per set (\$3.78 per plate). The individual purchasing the plates pays \$6.60 (\$3.30 per plate). The difference of \$.96 is absorbed by the NVCSOF since the manufacturing cost exceeds the amount charged. The Department of Transportation estimates the annual loss to the HTF for the number of plates currently issued is about \$9,407 in FY20 and \$14,111 in FY21.

In addition, it is assumed there will be an increase in the number of veterans and military plates issued in the future since there will no longer be any additional charges for numeric or personalized message plates. The increase in number is unknown but could be fairly significant. Any increase in the number of plates issued will further decrease revenue for the HTF, DMV Cash Fund and NVCSOF.

General Fund Expenditures: The revenue received from fees for Military Honor Plates and Gold Star Family Plates which is deposited in the NVCSOF is used to operate the Veterans' Cemetery in Alliance. The loss in revenue will mean that general funds will be required in lieu of cash funds to operate the cemetery in the future. It appears the existing cash fund balance of the NVCSOF will be sufficient to fund cemetery operations as requested by the agency in the next two fiscal years, but beginning in FY2021-22 the bill will have a general fund fiscal impact of about \$239,000 to continue cemetery operations.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 697	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY: Lucas Martin	DATE: 2/4/2019	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Motor Vehicles' assessment of fiscal impact.			

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

2019

LB⁽¹⁾ 697 - Revised

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	_____	(65,000)	_____	(65,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(65,000)	=====	(65,000)

Explanation of Estimate:

Passage of this legislation would remove the \$5 Numeric fee and \$40 Message fee for all Military Honor Plates. The impact to the DMV is a loss of the 25% of the \$40 Message fee paid by the applicant for initial plates and renewals. This amounts to \$65,000 per year.

There will be no impact on expenditures as the DMV will continue to be billed for are plates produced.

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.....	_____	_____	_____	_____

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

2019

LB⁽¹⁾ 697

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	_____	(\$9,407)	_____	(\$14,111)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(\$9,407)	=====	(\$14,111)

Explanation of Estimate:

LB 697 changes provisions relating to fees for the following specialty plates: Pearl Harbor, Gold Star Family, Military Honor, prisoner of war, disable veterans and Purple Heart. This bill waives all plate fees for these specialty plates. This includes the per plate fee provided in statute 60-3,102 which is remitted to the Highway Trust Fund to cover the cost of manufacturing. This bill would become operative October 2019.

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 the 53 1/3% of the plate fee distributed to the Trust Fund or \$9,407 for FY19-20 and \$14,111 for FY20-21.

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.....	_____	_____	_____	_____