

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$9,025			
FEDERAL FUNDS				
TRUST FUNDS	\$880,460	\$880,460	\$1,056,550	\$1,056,550
TOTAL FUNDS	\$889,485	\$880,460	\$1,056,550	\$1,056,550

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

LB 900 changes provisions related to motorcycles and provides duties for the Department of Motor Vehicles (DMV). The bill repeals requirements for individuals, age 21 and over, to wear motorcycle helmets. The bill has a fiscal impact as described below.

Motorcycle Registration Fee: The fee to register a motorcycle is increased by \$19. Fee proceeds are deposited into the Motorcycle Safety and Brain Injury Trust Fund, which is a new fund established by the bill. Annual revenue from the new fee is projected to total about \$1,056,550 based upon 55,608 motorcycles registered in CY 2014. It is assumed the new fee will be collected beginning August 1, 2016, with initial receipts being deposited into the fund in September.

DMV will have one time cash fund expenditures of \$9,025 in FY 2016-17 for computer programming for the Vehicle Title Registration System to reflect the new fee.

Administration and Usage of the Motorcycle Safety and Brain Injury Trust Fund: LB 900 provides for the fund to be used for expenses related to meeting the needs of individuals with a brain injury in the state, motorcycle safety awareness and education programs, and administrative expenses of the Health Advisory, Safety, and Brain Injury Trust Board. A brain injury services program is to be created within sixty days of the effective date of the bill to be administered by a program administrator under the direction of the board. DMV is to provide administrative support to the board. No more than 2.5% of the funds may be used for motorcycle safety awareness programs and up to 10% may be used for administration of the fund.

Health Advisory, Safety, and Brain Injury Trust Board: The bill expands a currently authorized six-member board which is authorized to assist DMV. The DMV indicates the board is not being used at the present time. The bill provides for the board to be composed of twelve members. The members will be eligible for the reimbursement of actual and necessary expenses. The board is not to meet more often than on a quarterly basis. The estimated annual cost to reimburse board members for expenses is \$9,600 per year (\$200 x 12 members x 4 meetings).

Program Administrator: LB 900 requires that a program administrator be hired within sixty days to direct the brain injury program. Assuming the position is filled in September, DMV estimates the salary and benefit expenditures for the administrator will be about \$48,500 in FY17, and \$64,700 in FY18.

Motorcycle Safety Awareness Programs: Up to 2.5% of the funds may be allocated to motorcycle safety awareness programs. Based upon registrations in 2014, there will be about \$26,400 available annually for such programs.

Aid for Services for Individuals with a Brain Injury: The remaining funds are to be used to provide services, service funding, or other support for individuals with a brain injury who are not eligible for the Traumatic Brain Injury (TBI) Waiver program within the Department of Health and Human Services (HHS) or who do not meet the income guidelines for the program.

In order to apply for funds from the program, applicants must authorize HHS to provide TBI Waiver application materials to the brain injury services program. If a functional assessment for the TBI program has not been completed, then the brain injury program may contract with HHS for the assessment. DMV estimates about \$5,500 will be expended on an annual basis to contract with HHS for functional assessments. It is estimated that \$2,750 will be spent for this purpose in FY17.

The brain injury program is also authorized to use resource facilitators to facilitate brain injury services. Based upon motorcycle registrations in 2014, there will be about \$950,350 of aid to use for services, support and/or resource facilitators on an annual basis after administrative and motorcycle safety awareness programs are funded. The estimated amount in the initial year is \$793,210.

Fine Increase for violations of Class M license provisions: The fines which can be imposed when a person is found guilty of a traffic infraction due to violating requirements for a motorcycle license are increased from a range of \$10 to \$100 to a range of \$50 to \$150. Any revenue increase is projected to be small. Fines accrue to the county where the violation occurs and are by public schools.

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2016-2017		FY 2017-2018	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$ 9,025			
FEDERAL FUNDS				
TRUST FUNDS	\$ 780,843	\$ 789,868	\$ 1,056,552	\$ 1,056,552
TOTAL FUNDS	\$ 789,868	\$ 789,868	\$ 1,056,552	\$ 1,056,552

Explanation of Estimate:

LB 900 changes registration fees for motorcycles, renames the Health Advisory Board and provides new powers and duties, creates the Motorcycle Safety and Brain Injury Trust Fund (MSBITF), and creates the brain injury services program. The bill also changes provisions relating to motorcycle helmet provisions.

Expenditures

Creation of the MSBIT Fund will require modification to the VTR program to account for the new fee and fund. It is estimated that 100 hours of programming will be necessary.

Computer programming	100 hrs.	\$90.25	\$9,025
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LB 900 creates new duties for DMV relating to the administration of the Health Advisory, Safety, and Brain Injury Trust Board and brain injury services program.

Administrative Costs	Salary	Benefits	Annual Cost	FY17
Program Coordinator	46,363	\$ 18,295	\$ 64,658	\$ 48,494
Functional Assessments			\$ 5,500	\$ 2,750
Board & Coordinator Related Expenses			\$ 10,000	\$ 6,000
Motorcycle Awareness Campaign			\$ 26,350	\$ 26,350
Estimated Annual Administrative Costs			\$ 106,508	\$ 83,594
Government Aid			\$ 950,044	\$ 706,274

MAJOR OBJECTS OF EXPENDITURE				
POSITION TITLE	NUMBER OF POSITIONS		FY 2016-2017	FY 2017-2018
	16-17	17-18	EXPENDITURES	EXPENDITURES
Program Coordinator	1.0	1.0	\$ 34,772	\$ 46,363
Benefits			\$ 13,721	\$ 18,295
Operating			\$ 44,125	\$ 41,850
Travel				
Capital Outlay			\$ 2,500	
Aid			\$ 706,274	\$ 950,044

Capital Improvements			
Total		<u>\$ 801,392</u>	<u>\$ 1,056,552</u>

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Revenue

	Number of Registrations	Fee	Total Annual Revenue	FY17*	FY18
Registration Fee	55,608	\$ 19.00	\$ 1,056,552	\$ 789,868	\$ 1,056,552

* Assumes implementation 7/20 with first deposit to trust fund in September.

Technical Note:

There is not a declared implementation date for LB 900 and if passed as is will take effect somewhere around July 20. Implementing a rate change during the month and not at the start can be problematic in many ways. Also LB 900 is not clear whether the restricted percentages for administrative costs and the motorcycle awareness plan is of the fund balance or fund revenue.