

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	LPCF – 3,600	OTDAEF – 5,950 DMVCF – 1,500	LPCF – 7,200	OTDAEF – 18,150 DMVCF – 4,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	3,600	7,450	7,200	22,650

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

LB843 provides for the issuance of Donate Life license plates beginning on January 1, 2021. The plates may be either alphanumeric or personalized message plates.

Applicants for:

- Alphanumerical plates pay an additional initial and renewal fee of \$5 which is credited to the Organ and Tissue Donor Awareness and Education Fund (OTDAEF).
- Personalized message plates pay an annual \$40 plate fee of which 25% (\$10) is credited to the Department of Motor Vehicles Cash Fund (DMVCF) and 75% (\$30) to the OTDAEF.

Revenue:

All applicants for plates pay the regular per plate fee (current fee is \$3.30), 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, the revenue remitted to the OTDAEF is reduced by the difference between the manufacturing costs and the amount charged for a plate set, and is credited to the Highway Trust Fund (HTF). The bill contains 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.

- The DMV estimates the new plates will cost \$3.60 per plate to manufacture, making the difference \$0.60 per plate set. This requires an adjustment to the revenue deposited in the OTDAEF in the amount of \$300 in FY21 and \$600 in FY22 based on the estimated number of plate sets to be issued.

DMV estimates, which are based on historical trends, provide that 1000 sets of plates will be sold each fiscal year. Because the bill provides that the plates will be available January 1, 2021, the estimated number of plate sets for FY21 is 500. Additional assumptions by the DMV include; the plates issued in FY21 will be renewed in in FY22 and 70 percent of plate sets will be alphanumeric and 30 percent personalized message. The table below provides estimated revenue amounts based on these assumptions.

Donate Life Plates Revenue Estimate	FY21	FY22
Alphanumeric Plates Issued/Renewed	350	1050
Message Plates Issued/Renewed	150	450
OTDAEF Portion (less HTF Credit)	\$5,950	\$18,150
DMVCF Portion	\$1,500	\$4,500

The bill allows owners to apply to the country treasurer to transfer specialty plates from one owned vehicle to another. The application fee for the transfer is \$3.00. The fees are placed in the DMVCF. The number of transfers is unknown, thus an estimate is not provided.

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Expenditures:

The DMV has indicated there will be costs in FY21 associated with modifying the Vehicle Titling and Registration and plate management computer systems to accommodate the new Donate Life plates. The department indicates it can handle the estimated 80 hours of programming and testing with existing staff and resources.

Other expenditures include the cost of manufacturing the Donate Life plates. The DMV estimates that each plate will cost \$3.60 to manufacture. This cost is attributable to the License Plate Cash Fund (LPCF) which receives transfers from the HTF only for the purposes of producing the license plates and the validation decals that are affixed to each plate. The table below provides expenditure estimates based on the number of plate sets the DMV estimates will be issued.

Donate Life Plate Expenditure Estimate	FY21	FY22
Estimate to Manufacture a Single Plate		\$3.60
Estimated Plate Sets to Manufacture	500	1000
Total Expenditures	\$3,600	\$7,200

Agency Fiscal Notes (see attached):

The fiscal note DMV provided is similar to the information above except that:

- The reduction in revenue to the OTDAEF due to the cost of manufacturing exceeding what is currently charged does not appear to be accounted for.

DHHS provided a fiscal note with estimated revenue and expenditures in the amount of \$2,400 each fiscal year. The department indicates expenditures that mirror revenue. An analysis of the OTDAEF fund expenditures the past two years shows revenue in excess of expenditures. As such, the expenditures are not being reflected.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 843	AM:	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles	
REVIEWED BY: Lucas Martin	DATE: 1/24/2020	PHONE: (402) 471-4181	
COMMENTS: Given the Department of Motor Vehicles' assumptions, there is no basis to disagree with the Department's assessment of fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 843	AM:	AGENCY/POLT. SUB: Nebraska Department of Health & Human Services	
REVIEWED BY: Lucas Martin	DATE: 1/23/2020	PHONE: (402) 471-4181	
COMMENTS: Under the assumptions provided by the DHHS, the estimated revenue and like expenditures provided by the changes implemented in LB 843 would be \$2,400 in fiscal year 2021 and estimated to be the same in fiscal year 2022.			
However, since the new plates would not be available till January 1 st , 2021. Therefore, estimated fiscal impact would be lower in fiscal year 2021 than fiscal year 2022.			

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2020

LB⁽¹⁾ 843

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 16, 2020 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	<u>3,600</u>	<u>7,750</u>	<u>7,200</u>	<u>23,250</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u><u>3,600</u></u>	<u><u>7,750</u></u>	<u><u>7,200</u></u>	<u><u>23,250</u></u>

Explanation of Estimate:

Effective date of January 1, 2021 – Donate Life Plate

Program 070

There will be 80 hours of Programming and Testing for this new plate that can be absorbed within existing DMV appropriation.

Past history has shown that 1000 sets of these plates will be sold every fiscal year. Due to the effective date of January 1, 2021 we estimate 500 sets of plates will be sold. In addition, past history has shown that 70% of the plates sold are Numeric plates and 30% will be Message plates.

FY20-21 Revenue 500 sets sold – 350 Numeric plates at \$5 each will be credited to the OTDAEF Fund - \$1,750 and 150 Message plates at \$40 each will credited \$1,500 to DMV and \$4,500 to the OTDAEF Fund.

FY21-22 Revenue 1000 sets sold and 500 renewals – 700 Numeric plates sold plus 350 Renewals at \$5 each = \$5,250 will be credited to the OTDAEF Fund and 300 sets Message plate sold and 150 renewals = \$18,000, \$13,500 will be credited to the OTDAEF Fund and \$4,500 will be credited to the DMV.

Program 090

500 sets (1000 plates) at \$3.60 = \$3,600 FY 20-21 and 1000 sets (2000 plates) at \$3.60 = \$7,200 FY 21-22

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			<u>3,600</u>	<u>7,200</u>
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u><u>3,600</u></u>	<u><u>7,200</u></u>

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 1-10-2020

Phone: (5) 471-6719

	<u>FY 2020-2021</u>		<u>FY 2021-2022</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$2,400	\$2,400	\$2,400	\$2,400
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$2,400	\$2,400	\$2,400	\$2,400

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 843 creates a Donate Life specialty license plate and designates a portion of the fees collected by the Nebraska Department of Motor Vehicles for the cost of these plates be submitted to the State Treasurer for credit to the Organ & Tissue Donor Awareness & Education Fund (OTDAE). The current average donation received from DMV is around \$45,000 per year at \$1 each. The estimate is based on 45,000 persons with interest in this cause. Also, the estimate is based on 2018 Nebraska DMV statistics showing that less than 1% of vehicle registrations are for a specialty plate and less than 1% of those are specialized message plates.

LB 843 designates a \$5 fee for Alpha-numeric Donate Life plates credited to the OTDAE fund. LB 843 designates the fee for special message Donate Life plates at \$40 with 75% credited to the OTDAE fund. Per Nebraska Statute §60-495, all proceeds will be used to promote organ and tissue donation.

Estimate – 45,000 x 1% = 450 purchased per year
 Alpha Numeric Plate fees: 450 * \$5 = \$2,250
 Specialized Message Plate fees: 5 * \$40 * 75% = \$150

Total Estimated Revenue to OTDAE Fund = \$2,400

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2020-2021 EXPENDITURES	2021-2022 EXPENDITURES
		20-21	21-22		
Benefits.....					
Operating.....				\$2,400	\$2400
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$2,400	\$2,400