

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$3,025		See Below
CASH FUNDS	\$274,750	\$5,550	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$274,750	\$8,575		

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 589 provides for the issuance of an LPM-Learner's permit. The permit authorizes a person to operate a motorcycle for purposes of application for a Class M (motorcycle) license. An \$8 fee is established for the permit. Revenue from the fee accrues to the Department of Motor Vehicles (DMV) Cash Fund (\$5), General Fund (\$2.75) and to counties (\$.25).

The bill requires persons born on or after January 1, 1987 to surrender an LPM-learner's permit in order to obtain a Class M license. The permit must have been held for at least three months prior to application. The applicant must have also taken an approved motorcycle safety course. The bill requires DMV to approve motorcycle safety courses and certify instructors. The bill has an operative date of January 1, 2008.

Expenditures: The bill requires DMV to modify the mainframe and county computer systems to reflect the new permit. One-time programming costs are estimated to be \$96,000 in 2007-08. The vendor for the driver's license system will also have a one-time increase in computer programming expense in 2007-08 to add an additional permit which will cost an estimated \$50,000 of cash funds.

In the initial year of implementation, 2008, the bill appears to require persons who are age 21 or under to apply for an LPM-Learner's permit prior to obtaining a Class M motorcycle license. In order to obtain the LPM-Learner's permit, an individual must have taken a motorcycle safety course approved by DMV. Each year thereafter, the required age for people to comply with the bill increases by one. In other words, in 2009, persons who are age 22 or under must apply for a permit prior to obtaining a motorcycle license.

If persons who are age 21 or under and currently have a motorcycle license are required to obtain a permit and take a motorcycle safety education course pursuant to the bill, then approximately 1,100 persons will be initially affected based upon CY 2005 motorcycle licensees. In 2005-06, the eight available motorcycle safety education courses trained 1,955 riders and an estimated 2,100 riders will be trained in 2008. It is assumed new courses will need to be offered to serve at least an additional 1,100 persons in 2007-08. The estimated fiscal impact for DMV to expand the number of motorcycle safety education courses is \$128,750 in 2007-08. The increased cost will provide for course site subsidies, subsidies for course providers and administrative funds for DMV. It is unclear how many additional persons will be required to take motorcycle safety courses beginning in 2008-09.

Revenues: Assuming 1,100 persons apply for an LPM-Learner's permit in 2007-08, there will be an increase in revenue of \$5,500 for the DMV Cash Fund, \$3,025 for the General Fund and \$275 for counties. It is unclear how many additional permits will be issued in 2008-09 pursuant to the bill.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Rich Robinson	DATE	1/29/07	PHONE	471-2526
COMMENTS					
NEBRASKA DEPARTMENT OF EDUCATION: No fiscal impact.					