

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$9,344		\$45,794	\$20,090
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$9,344		\$45,794	\$20,090

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

LB 383 provides for the issuance of Nebraska Armed Forces Pride license plates beginning January 2, 2015. The plates may be either numerical or message plates. Applicants for numerical plates are allowed to opt out of a \$5 annual fee for one set of plates. The fee is deposited in the Nebraska Veteran Cemetery System Operation Fund (NVCSO). Applicants for message plates must pay an annual \$40 plate fee of which 75% is deposited in the NVCSO fund 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 NVSCO Fund. The bill also has 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.

Expenditures: LB 383 increases expenditures of the DMV by \$9,344 of cash funds in FY2013-14 to modify the Vehicle Titling and Registration and plate management computer systems to accommodate the new armed forces plates. The department also indicates the addition of another specialty plate requires one new staff member to meet customer demands and maintain quality control. The need for a Business Applications Support Technician is projected at a cost of \$43,294 cash funds beginning in FY2014-15. Associated one-time cash fund expenses are \$2,500 in FY2014-15.

DMV indicates there are about 142,500 veterans in the state and about 15,000 active duty National Guard and Reserve personnel. So, there may be about 157,500 individuals who could apply for armed forces plates. This fiscal note assumes about 5% (7,850) of the people eligible will apply for armed forces license plates. It is assumed half of this number (3,920) will apply in the initial fiscal year due to the issuance of the plates for only six months in FY2014-15. It is also assumed that 90% of the plates issued will be numerical and 10% 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 \$27,440 (\$7.00/set x 3,920 sets) in FY2014-15. 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 NVSCO Fund.

Revenues: Increased revenue from the \$5 annual fee for an armed forces numerical plate and \$40 fee for a personalized plate will be deposited in the DMV Cash Fund and the NVSCO Fund. DMV assumes all persons will opt to waive payment of the \$5 fee for a numerical plate. However, the department estimates about 25% of applicants will pay the \$5 fee for one or more additional sets of plates. The following table shows the estimated revenue assuming 3,920 sets of plates are applied for in FY2014-15 and 7,850 sets are applied for in FY2015-16.

<u>TYPE OF PLATE</u>	Fee	Est. # of Sets	Revenue 2014-15	Revenue 2015-16
Numerical Plate: FY15				
Initial Set - NVCSO CF	\$5.00	2,646	\$0	
Subsequent Sets - NVSCO CF	\$5.00	882	\$4,410	
Personalized Plate - DMV CF	\$10.00	392	\$3,920	
Personalized Plate - NVSCO CF	\$30.00	392	\$11,760	
Numerical Plate: FY16				
Initial Set - NVCSO CF	\$5.00	5,299		\$0
Subsequent Sets - NVSCO CF	\$5.00	1,766		\$8,830
Personalized Plate - DMV CF	\$10.00	785		\$7,850
Personalized Plate - NVSCO CF	\$30.00	785		\$23,550
<b>Total Est. Revenue</b>			<b>\$20,090</b>	<b>\$40,230</b>

The bill allows owners to apply to the county treasurer to transfer specialty plates from one owned vehicle to another. The application fee 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. RESPONSES			
<b>LB: 383</b>	AM:	<b>AGENCY/POLT. SUB Department of Motor Vehicles (024)</b>	
REVIEWED BY: David Spatz		DATE: February 28, 2013	PHONE: 471-4179
COMMENTS: Concur with the Department of Motor Vehicles' analysis and estimate of increased cash fund expenditures and revenue fiscal impact to the agency.			

**NEBRASKA DEPARTMENT OF MOTOR VEHICLES**

Prepared by: Gary Ryken      Date Prepared: 01-Mar-13      Phone: 471-3902      Fax: 471-9594  
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**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2013-2014		FY 2014-2015	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$ 9,344		\$ 68,906	\$ 16,434
FEDERAL FUNDS				
OTHER FUNDS				\$ 50,298
TOTAL FUNDS	\$ 9,344	\$ -	\$ 68,906	\$ 66,732

Explanation of Estimate:

LB 383 provides for the issuance of Nebraska Armed Forces Pride Plates beginning January 2, 2015.

LB 383 will require some computer programming to modify the existing VTR and plate management systems. There can be seven different service branches represented by either alphanumeric or personal message plate. It is estimated that 115 hours of programming will be necessary to complete the project.

Computer Programming      115 hrs.      @\$81.25      \$ 9,344

Due to the growth in specialty license plates over the past few years, DMV is requesting an additional FTE to assist with handling of the additional plate requests and maintaining quality control of the process. The position would be a Business Applications Support Tech.

	Salary	Benefits	Total Annual	Start-up Costs
Bus. App. Tech. S07541	1 \$ 29,545	\$ 11,818	\$ 41,363	
Desk, computer				\$ 2,500
Supplies			\$ 1,000	

**Impact to License Plate Program 644**

There are approximately 142,500 veterans in Nebraska as well as roughly 15,000 active duty, National Guard, and Reserve creating a pool of 157,500 potentially qualified applicants. Based upon experience with other plate types 5,000 applicants are anticipated to apply for the plates in the initial offering.

Initial Production	Plates`	Cost	FY15
	6,420	\$ 3.60	\$ 23,112

**MAJOR OBJECTS OF EXPENDITURE**

POSITION TITLE	NUMBER OF POSITIONS		FY 2013-2014	FY 2014-2015
	13-14	14-15	EXPENDITURES	EXPENDITURES
Business Applications Support Tech	1.0	1.0		\$ 30,210
Benefits				\$ 12,084
Operating			\$ 9,344	\$ 3,500
Travel				
Capital Outlay				
Aid				

License Plate Production .....		\$	23,112	
Total .....	\$	9,344	\$	68,906

**LB 383 FISCAL NOTE**

**2013**

**NEBRASKA DEPARTMENT OF MOTOR VEHICLES**

Prepared by: Gary Ryken      Date Prepared: 01-Mar-13      Phone: 471-3902      Fax: 471-9594  
 Email: gary.ryken@nebraska.gov

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

A transfer of \$18,000 in FY2015 from the Highway Trust Fund to the License Plate Cash Fund would be needed to pay for the plate production.

**Revenues**

Applicants have the option of having the \$5 fee waived for the first set of alphanumeric Armed Forces Pride Plates. It is assumed all will opt for the waiver and 25% of those will have multiple sets of the license plates. There is a \$5 fee for subsequent Armed Forces Pride Plate sets to the same applicant which is deposited to the Nebraska Veteran Cemetery System Operations Fund. On personalized message Armed Forces Pride plates a fee of \$40 is charged with \$30 deposited to the Nebraska Veteran Cemetery System Operations Fund and \$10 to the DMV Cash Fund.

<b>Estimated Number of Plates Issued Annually</b>			Cemetery Fund	DMV Cash Fund
Plate Type	Number	Fee		
Initial Set-Numeric	1,650	\$ -	\$ -	
Subsequent Numeric Sets	400	\$ 5.00	\$ 2,000	
Message Plates	3,300	\$ 40.00	\$ 99,000	\$ 33,000
<b>Total</b>			<b>\$ 101,000</b>	<b>\$ 33,000</b>

<b>Number of sets processed in FY15</b>			Cemetery Fund	DMV Cash Fund
Plate Type	Number	Fee		
Initial Set-Numeric	990	\$ -		
Subsequent Numeric Sets	240	\$ 5.00	\$ 996	
Message Plates	1,980	\$ 40.00	\$ 49,302	\$ 16,434
<b>Total</b>	<b>3,210</b>		<b>\$ 50,298</b>	<b>\$ 16,434</b>

**TECHNICAL ISSUE:**

The current VTR system does not mate vehicle records with owners. The requirement to waiver the first set issued per applicant and charge for subsequent sets will require a manual process to be performed by the county treasurers to verify whether the Cemetery Fee should be charged or not.



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**2013**

**LB<sup>(1)</sup> 383 FISCAL NOTE**

State Agency OR Political Subdivision Name: (2) NEBRASKA DEPARTMENT OF VETERANS' AFFAIRS

Prepared by: (3) GARY MAIXNER Date Prepared: (4) JAN 28, 2013 Phone: (5) 402-471-2458

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	31,500	_____	31,500
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>31,500</u>	<u>_____</u>	<u>31,500</u>

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

**Explanation of Estimate:**

The establishment of the Armed Forces Pride License plates and the corresponding fee proposed in this bill may result in an increase of revenue into the Nebraska Veteran Cemetery Operation Fund #22820.

Assuming 3% of the state's veteran population (140,000) applies for plates there may be 4200 sets of plates sold. Further assuming that 10% of the applications received would be for personalized plates would produce the following data:

Alphanumeric plates	3780	\$18,900 in revenue
Personalized plates	420	\$12,600 in revenue

If so, the Nebraska Veteran Cemetery Operation Fund would receive \$31,500.

This would not be able to be utilized in the proposed 2013-2015 budget cycle.

**MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14 EXPENDITURES</u>	<u>2014-15 EXPENDITURES</u>
	<u>13-14</u>	<u>14-15</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____