

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$30,000	\$150,000		\$470,000
FEDERAL FUNDS				
HIGHWAY TRUST FUND	\$14,000	\$14,000	\$28,000	\$28,000
TOTAL FUNDS	\$44,000	\$164,000	\$28,000	\$498,000

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

LB 10 provides for the issuance of specialty license plates. The Department of Motor Vehicles (DMV) is to design and issue specialty license plates when at least 500 prepaid applications are received for a type of plate within two years of when applications for the type of specialty plate are made available to the public. The plates are consecutively numbered and use a design reflective of the organization or concept of the parties requesting the design. The design shall limit the manufacturing cost of each plate to equal to or less than the amount charged for a license plate. Applicants pay an initial and annual renewal fee of \$75 for the specialty plates. Five dollars of the fee is credited to the DMV Cash Fund and \$70 to the Highway Cash Fund (HCF).

Expenditures: LB 10 will increase expenditures of the DMV by \$30,000 of cash funds in 2009-10 to modify the plate management systems to track plates and prepaid applications.

Applicants for plates also pay the regular per plate fee, which is capped at \$3.50 by current statute. The current plate fee is \$3.25. It is likely the fee will increase with the new issuance of plates in 2011, so the plate fee is assumed to be \$3.50 for the purposes of this fiscal note. License plate fees are deposited in the Highway Trust Fund (HTF).

The number of applicants for specialty plates is unknown. DMV indicates that several organizations have expressed interest in specialty plates in the past few years. This fiscal note estimates that two organizations will initially apply for specialty plates. It is assumed that each organization will have 1,000 applicants. If so, then 2,000 sets of plates will need to be produced in 2009-10. It is assumed four additional 1,000 member organizations will apply in 2010-11, so 4,000 sets of plates will be needed in 2010-11.

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 \$14,000 (\$7.00/set plate fees x 2,000 sets) in 2009-10 and \$28,000 (\$7.00/set plate fees x 4,000 sets) in 2010-11.

Revenues: Increased revenue from the \$75 annual fee for a specialty plate will be deposited in the DMV Cash Fund and the HCF. The following table shows the estimated revenue increases assuming 2,000 sets of plates are applied for in 2009-10 and an additional 4,000 sets are applied for in 2010-11. The revenue in the second fiscal year is based upon the total number of sets sold since the specialty plate fee is assessed annually.

<u>LB 10</u>	<u>Fee</u>	<u>Est. # of Sets</u>	<u>Revenue 2009-10</u>	<u>Revenue 2010-11</u>
DMV Cash Fund	\$5	2,000	\$10,000	
Highway Cash Fund	\$70	2,000	\$140,000	
DMV Cash Fund	\$5	6,000		\$30,000
Highway Cash Fund	\$70	6,000		\$420,000

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.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
DEPT. OF MOTOR VEHICLES – Concur with DMV analysis and estimate of increased expenditures and revenue fiscal impact.					
DEPT. OF ROADS – Concur with DOR analysis and estimate of increased cash fund revenue fiscal impact.					
Concur with Dept. of Correctional Services' analysis and estimate of minimal fiscal impact.					