

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	\$20,000	\$140,000		\$210,000
FEDERAL FUNDS				
HIGHWAY TRUST FUND	\$14,000	\$14,000	\$7,000	\$7,000
TOTAL FUNDS	\$34,000	\$154,000	\$7,000	\$217,000

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

LB 398 provides for the issuance of collegiate spirit license plates for private, nonprofit colleges or universities. Applicants pay an annual \$70 fee for the spirit plates. Forty-three percent of the fees collected for the plates are remitted to the Department of Motor Vehicles (DMV) Cash Fund and 57% to the Nebraska Scholarship Fund (NSF).

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. The regular plate fee is placed in the Highway Trust Fund (HTF). 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 HTF instead of the NSF. Beginning January 1, 2010 the plates are to be available for any private, nonprofit college or university for which 150 prepaid applications are received.

Expenditures: LB 398 will increase expenditures of the DMV by \$20,000 of cash funds in 2009-10 to modify the Vehicle Titling and Registration and plate management computer systems accommodate the new collegiate plates.

The number of applicants for collegiate spirit plates is unknown. There are 20 private nonprofit colleges and universities in the state with an enrollment of about 28,000 students. A minimum of 150 applications is required per institution prior to plates being made available. This fiscal note assumes about 2,000 applications for plates will be made in 2009-10 and an additional 1,000 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 x 2,000 sets) in 2009-10 and \$7,000 (\$7.00/set x 1,000 sets) in 2010-11. 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 NSF.

Revenues: Increased revenue from the \$70 annual fee for a collegiate spirit plate will be deposited in the DMV Cash Fund and the NSF. The following table shows the estimated revenue assuming 2,000 sets of plates are issued in 2009-10 and an additional 1,000 plates in 2010-11. The revenue in the second fiscal year is based upon the total number of sets sold, since the plate fee is assessed annually.

LB 398	Fee	Est. # of Sets	Revenue 2009-10	Revenue 2010-11
DMV Cash Fund	30.10	2,000	\$60,200	
NE Scholarship Fund	39.90	2,000	\$79,800	
DMV Cash Fund	30.10	3,000		\$90,300
NE Scholarship Fund	39.90	3,000		\$119,700
Total Revenue			\$140,000	\$210,000

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.					
COORD. COMM. FOR POSTSEC. EDUC. – Concur.					