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 DATE PREPARED: February 03, 2004
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LB 838

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2004-05		FY 2005-06	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$23,500	\$71,858
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$23,500	\$71,858

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

LB 838 provides for the issuance of Military license plates. The plates may be numerical or message plates. Applicants for numerical plates pay an annual fee of \$15. Five dollars of the fee is credited to the Department of Motor Vehicles Cash Fund and \$10 is deposited in the Veteran Cemetery Maintenance Fund. The annual fee for a military message plate is \$40, of which \$30 is deposited in the DMV Cash Fund and \$10 in the Cemetery Maintenance Fund.

Applicants also pay the regular per plate fee, which is capped at \$2.50 by current statute. Regular plate fees are placed in the Highway Trust Fund (HTF). Military plates for up to 14 military organizations shall be designed in 2005-06 and not more than two organizations each subsequent year. 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 will be credited to the HTF rather than the Veteran Cemetery Maintenance Fund. The bill has an operative date of July 1, 2005.

Expenditures: The Department of Motor Vehicles (DMV) will have on-going annual expenditures of \$3,500 of cash funds for application forms and mailing costs for the new plates. There will also be one-time costs of \$20,000 in 2005-06 for computer programming to change the Vehicle Titling and Registration System and the license plate management system.

The Highway Trust Fund pays the manufacturing cost of license plates. DMV estimates the cost to manufacture a military plate will be \$2.85 per plate. Applicants pay a regular plate fee of \$2.50 per plate to cover manufacturing costs. The Department of Veterans' Affairs estimates the number of veterans in the state to be about 167,500.

Assuming 3% of eligible individuals apply for plates, there may be 5,025 sets of plates sold in 2005-06. If so, then the Highway Trust Fund will receive \$25,125 of revenue from regular plate fees. The estimated cost to produce 5,025 sets of plates is \$28,642. The estimated \$3,517 gap between revenue from the regular plate fee and cost to produce the specialized plates will be subtracted from the revenue going to the Veteran Cemetery Maintenance Fund.

Revenue: Increased revenue from the \$15 annual fee will be deposited in the DMV Cash Fund and Veteran Cemetery Maintenance Fund. Assuming 5,025 sets of numerical plates are sold in 2005-06, there will be a \$25,125 increase in revenue for the DMV Cash Fund and a \$50,250 increase in revenue for the Veteran Cemetery Maintenance Fund, less the offset for manufacturing costs. If a person switches from a currently issued message plate to a military message plate, there will be a \$10 increase in revenue for the Veteran Cemetery Maintenance Fund. The revenue for the DMV Cash Fund will remain the same.

The bill also allows owners to apply to the county treasurer to transfer military 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

REVIEWED BY	David Spatz	DATE	2/02/04	PHONE	471-4179
COMMENTS					
Concur with Dept. of Roads' analysis and estimate of no fiscal impact.					
Concur with Dept. of Veterans Affairs' analysis and estimate of increased revenue fiscal impact.					

