

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$23,335	\$41,850	\$835	\$85,600
FEDERAL FUNDS				
HIGHWAY TRUST FUND		\$1,900		\$1,900
TOTAL FUNDS	\$23,335	\$43,750	\$835	\$87,500

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

LB 598 provides for the issuance of specialty license plates. The bill authorizes numerical and message plates for Shriner's. Applicants for numerical plates pay an annual fee of \$15 and message plate applicants pay \$40 per year. The fees are credited to the Department of Motor Vehicles Cash Fund.

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. Regular plate fees are placed in the Highway Trust Fund (HTF). If the manufacturing cost of the Shriner 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 DMV Cash 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 the plates. The operative date of the bill is January 1, 2008.

Expenditures: LB 598 will increase expenditures of the Department of Motor Vehicles (DMV) by \$835 of cash funds for postage for pick-up notices for the plates in 2007-08 and 2008-09. One-time costs of \$2,500 will be incurred in 2007-08 to print application forms for the new plates. There will also be one-time costs of \$20,000 in 2007-08 to modify computer systems to accommodate the new plates.

Regular plate fees are deposited in the Highway Trust Fund (HTF) to pay the manufacturing cost of license plates. DMV estimates the cost of a Shriner plate will be \$3.63 for a six-year plate. It is not known whether the plate design will be such that the cost can be limited to the current amount charged for a regular plate. The specialty plates currently issued cost more to produce than regular plates. This fiscal note assumes the plate cost will be \$3.63 as estimated by the department.

The number of applicants for Shriner plates is unknown. DMV indicates there may be up to 8,000 Shriners in the state. This fiscal note assumes 5,000 sets of Shriners plates will initially need to be produced in 2007-08. If so, then the HTF will receive \$32,500 (\$6.50/set plate fees x 5,000 sets) of revenue from regular plate fees. The estimated cost to produce 5,000 sets of plates is about \$36,300 (\$7.26/set x 5,000 sets). The estimated \$3,800 gap between revenue from regular plate fees and costs to produce specialized plates will be subtracted from the revenue placed in the DMV Cash Fund.

Revenues: Increased revenue from the \$15 annual fee for a Shriner numerical plate and \$40 fee for a Shriner message plate will be deposited in the DMV Cash Fund. Assuming 5,000 sets of plates are manufactured in 2007-08, and 90% are numerical plates, there will be an \$87,500 increase in revenue for the DMV Cash Fund, less the offset for manufacturing costs. The fiscal note assumes half of the new plates will be purchased in 2007-08 and half in 2008-09. The revenue doubles in the second fiscal year due to fees being paid on an annual basis.

The bill also allows owners to apply to the county treasurer to transfer Shriner 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	Rich Robinson	1/31/07	PHONE 471-2526
COMMENTS			
MOTOR VEHICLES – No basis to disagree. DEPT. OF ROADS – No fiscal impact.			