

Updated for the 2014 Session. Includes any amendments adopted to date.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$55,138	\$20,090	\$45,794	\$40,230
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$55,138	\$20,090	\$45,794	\$40,230

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 one-time expenditures of the DMV by \$9,344 of cash funds in FY2014-15 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
Total Est. Revenue			\$20,090	\$40,230

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.