

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	\$23,170	\$16,740	\$670	\$34,240
FEDERAL FUNDS				
HIGHWAY TRUST FUND		\$760		\$760
TOTAL FUNDS	\$23,170	\$17,500	\$670	\$35,000

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

LB 419 provides for the issuance of Nebraska Agriculture license plates. The plates may be either numerical or message plates. Applicants pay an annual fee of \$15 for a numerical plate or \$40 for a personalized plate. Five dollars of the numerical plate fee and \$30 of the personalized plate fee is credited to the Department of Motor Vehicles Cash Fund. Ten dollars of the numerical and the message plate fee is credited to the Agricultural Research 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. 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 Agricultural Research 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.

The Agricultural Research Fund is established to include plate fees and other gifts and grants received by the Department of Agriculture from any federal, state, public or private source. The fund is to be used to fund agricultural research projects and facilities in the state. The bill has an operative date of January 1, 2008.

Expenditures: LB 419 will increase expenditures of the Department of Motor Vehicles (DMV) by \$670 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 Nebraska Agriculture 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 Nebraska Agriculture plates is unknown. DMV estimates 2,000 sets of plates will need to be initially produced in 2007-08. If so, then the HTF will receive \$13,000 (\$6.50/set plate fees x 2,000 sets) of revenue from regular plate fees. The estimated cost to produce 2,000 sets of plates is about \$14,520 (\$7.26/set x 2,000 sets). The estimated \$1,520 gap between revenue from regular plate fees and costs to produce the specialized plates will be subtracted from the revenue placed in the Agricultural Research Fund.

Revenues: Increased revenue from the \$15 annual fee for a Nebraska Agriculture numerical plate and \$40 fee for a Nebraska Agriculture message plate will be deposited in the DMV Cash Fund and the Agricultural Research Fund. Assuming 2,000 sets of plates are manufactured in 2007-08, and 90% are numerical plates, there will be an \$15,000 increase in revenue for the DMV Cash Fund and a \$20,000 increase in revenue for the Agricultural Research Fund, less the \$1,520 estimated 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 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.

LB 419
DAS COMMENTS

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS			
MOTOR VEHICLES – No basis to disagree.			
DEPT. OF ROADS – No fiscal impact.			