

Revised on 5/30/07 based on amendments adopted through 5/29/07.

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				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 570 provides for the issuance of Gold Star Family license plates. Gold Star plates may be issued to the surviving spouse and ancestors of a person who died while in good standing on active duty in the military. Only one vehicle owned by an eligible individual may have the specialty 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 Nebraska Veteran Cemetery System Operation Fund (Veteran Cemetery Fund). The bill has an operative date of January 1, 2010.

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 Veteran Cemetery 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 570 will increase annual expenditures of the Department of Motor Vehicles (DMV) by \$150 of cash funds for postage for pick-up notices for the plates beginning in 2009-10. One-time costs of \$350 will be incurred in 2009-10 to print application forms for the new plates. There will also be one-time costs of \$20,000 in 2009-10 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 Gold Star Family 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 Gold Star Family plates is unknown. DMV estimates 500 sets of plates will need to be initially produced in 2009-10. If so, then the HTF will receive \$3,250 (\$6.50/set plate fees x 500 sets) of revenue from regular plate fees. The estimated cost to produce 500 sets of plates is about \$3,630 (\$7.26/set x 500 sets). The estimated \$380 gap between revenue from regular plate fees and costs to produce the specialized plates will be subtracted from the revenue placed in the Veteran Cemetery Fund.

Revenues: Increased revenue from the \$15 annual fee for a Gold Star Family numerical plate and \$40 fee for a Gold Star Family message plate will be deposited in the DMV Cash Fund and the Veteran Cemetery Fund. Assuming 500 sets of plates are manufactured in 2009-10, and 90% are numerical plates, there will be a \$3,750 increase in revenue for the DMV Cash Fund and a \$5,000 increase in revenue for the Veteran Cemetery Fund, less the \$380 estimated offset for manufacturing costs. The fiscal note assumes half of the new plates will be purchased in 2009-10 and half in 2010-11. The revenue will double 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.