

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$20,000	\$122,500		\$196,000
FEDERAL FUNDS				
HIGHWAY TRUST FUND	\$49,000	\$49,000	\$29,400	\$29,400
TOTAL FUNDS	\$69,000	\$171,500	\$29,400	\$225,400

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

LB 329 provides for the issuance of firefighter license plates to paid and volunteer firefighters. 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. Forty-three percent of the revenue from the fees is allocated to the Department of Motor Vehicles (DMV) Cash Fund and 57% is allocated to the Firefighter Response (FFR) Cash Fund. The DMV Cash Fund receives \$6.45 of the numerical plate fee and \$17.20 of the personalized plate fee. The FFR Cash Fund receives \$8.55 of the numerical plate fee and \$22.80 of the message plate fee.

All 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. It is likely the fee will increase with the new issuance of plates in 2011, so the plate fee is assumed to be \$3.50 for the purposes of this fiscal note. 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 FFR 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 for the plates.

The Firefighter Response Cash Fund is established to include plate fees and other gifts and grants received by the State Fire Marshal. The fund is to be used to train firefighters, fire department personnel and other emergency response personnel. The bill has an operative date of January 1, 2010.

Expenditures: LB 329 will increase expenditures of the DMV by \$20,000 of cash funds in 2009-10 to modify the Vehicle Titling and Registration and plate management computer systems accommodate the two new firefighter plates.

DMV indicates there are about 14,000 total firefighters in the state. This fiscal note assumes about 50% of the firefighters will apply for plates in 2009-10 and an additional 30% in 2010-11. So, about 7,000 sets of plates will need to be produced in 2009-10 and 4,200 in 2010-11.

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 \$49,000 (\$7.00/set x 7,000 sets) in 2009-10 and \$29,400 (\$7.00/set x 4,200 sets) in 2010-11. 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 FFR Cash Fund.

Revenues: Increased revenue from the \$15 annual fee for a firefighter numerical plate and \$40 fee for a firefighter message plate will be deposited in the DMV Cash Fund and the FFR Cash Fund. The following table shows the estimated revenue increases assuming 7,000 sets of plates are applied for in 2009-10 and an additional 4,200 sets are applied for in 2010-11. It is assumed that 90% of the plates will be numerical and 10% will be message plates. The revenue in the second fiscal year is based upon the total number of sets sold, since the specialty plate fee is assessed annually.

<u>LB 329</u>	<u>Fee</u>	<u>Est. # of Sets</u>	<u>Revenue 2009-10</u>	<u>Revenue 2010-11</u>
DMV Cash Fund	\$6.45	6,300	\$40,635	
Firefighter Resp. CF	\$8.55	6,300	\$53,865	
DMV CF- Message Plate	\$17.20	700	\$12,040	
FFR CF - Message	\$22.80	700	\$15,960	
DMV Cash Fund	\$6.45	10,080		\$65,016
Firefighter Resp. CF	\$8.55	10,080		\$86,184
DMV CF- Message Plate	\$17.20	1,120		\$19,264
FFR CF - Message	\$22.80	1,120		\$25,536
Total Est. Revenue			\$122,500	\$196,000

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.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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COMMENTS					
NEBRASKA DEPARTMENT OF MOTOR VEHICLES: Concur with Department of Motor Vehicles' analysis and the estimate of increased expenditures and revenue.					
DEPARTMENT OF ROADS: Concur with Department of Roads' analysis and the estimate of no fiscal impact.					