

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$20,000	\$15,050		\$14,835
FEDERAL FUNDS				
HIGHWAY TRUST FUND	\$14,000	\$33,950	\$7,000	\$26,665
TOTAL FUNDS	\$34,000	\$49,000	\$7,000	\$41,500

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

LB 642 provides for the issuance of Nebraska Agriculture license plates. The plates may be either numerical or message plates. Applicants pay an initial fee of \$15 for a numerical plate and an annual renewal fee of \$5. A \$40 fee is charged for the initial or renewal of a personalized agricultural message plate. Forty-three percent of the fees collected for either type of plate are remitted to the Department of Motor Vehicles (DMV) Cash Fund and 57% to the Highway Trust Fund (HTF).

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). 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. Plates are to be available on January 1, 2010.

Expenditures: LB 642 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 Nebraska Agriculture plates.

The number of applicants for Nebraska Agriculture plates is unknown. It is estimated that 2,000 sets of plates will need to be initially produced in 2009-10. An additional 1,000 sets of plates are estimated for 2011-12. 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 \$14,000 (\$7.00/set x 2,000 sets) in 2009-10 and \$7,000 (\$7.00/set x 1,000 sets) in 2010-11.

Revenues: Increased revenue from the \$15 initial and \$5 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 HTF. The following table shows the estimated revenue increases assuming 2,000 sets of plates are applied for in 2009-10 and an additional 1,000 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 from message plates in the second fiscal year is based on the total number of sets sold, since the same message plate fee is assessed annually.

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 Legislative Fiscal Analyst  
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<u>LB 642</u>	<u>Fee</u>	<u>Est. # of Sets</u>	<u>Revenue 2009-10</u>	<u>Revenue 2010-11</u>
DMV Cash Fund - Numerical - Initial	\$6.45	1,800	\$11,610	
Highway Trust Fund - Numerical - Initial	\$8.55	1,800	\$15,390	
DMV CF- Message Plate	\$17.20	200	\$3,440	
HTF - Message Plate	\$22.80	200	\$4,560	
DMV Cash Fund - Numerical - Renewal	\$2.15	1,800		\$3,870
DMV CF - Numerical - Initial	\$6.45	900		\$5,805
Highway Trust Fund - Numerical - Renewal	\$2.85	1,800		\$5,130
HTF Numerical - Initial	\$8.55	900		\$7,695
DMV CF- Message Plate	\$17.20	300		\$5,160
HTF - Message Plate	\$22.80	300		\$6,840
Est. Revenue - DMV CF			\$15,050	\$14,835
Est. Revenue - HTF			<u>\$19,950</u>	<u>\$19,665</u>
Total Est. Revenue			\$35,000	\$34,500

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.