

policy

COMMENTARY

Platte
INSTITUTE
for economic research

Nebraskans Pay for “Ugly Betty” License Plates

Nebraska residents will soon discover what their new license plates for motor vehicles will look like. There has been plenty of public comment – mostly unfavorable – about the amateurish designs being considered. Regardless if you love or hate the new design, you’re getting new license plates in 2011.

Only a government would operate in this fashion. Not many businesses would long survive long if, when customers walked into their store, they handed you an unattractive product and then told you to like it or lump it. Clearly governments don’t exactly play by the “free market rules.”

Until recently, Nebraskans received new license plates every three years; it was changed to every six years for budget reasons. The cost of the new license plates came from the state’s general funds but changed when the legislature established a fee to cover the cost of new license plate production. Those fees are collected when you register your vehicles and receive your new license plates.

The Platte Institute did a report last summer on the outlandishly high motor vehicle tax in Nebraska. According to the report, to register a 2007 Honda Odyssey Minivan in Nebraska and the surrounding states cost the following:

Missouri - \$55
South Dakota - \$61
Iowa - \$360
Colorado - \$456
Nebraska - \$563
Wyoming - \$616

According to the Nebraska Legislative website, motor vehicle taxes and fees in its current form began in 1998. Sadly for Nebraska citizens, the taxes and fees have grown at a much faster rate than both inflation and the Nebraska economy. Click on the link below to see the graphic which shows this very alarming trend:

http://www.platteinstitute.org/docLib/20090518_Motor_Vehicle_Fee.pdf

It’s clear to see that we are overly burdened with the motor vehicle taxes and fees in the Cornhusker state. To add insult to injury, we are now presented with four ordinary looking designs and are told that the fee for the new license plates in 2011 has yet to be determined. The current fee is set at \$3.25 per plate, so if there is no increase in the fee, you will be paying an additional \$6.50 for those new plates (two per car).

According to the Nebraska Department of Motor Vehicles, there are more than 2.1 million vehicles registered in Nebraska. Nebraskans therefore will be spending more than \$13.5 million on these new license plates. These proposed license plates, objects of scorn as they are, were selected in an environment which limited design options and “free market rules.”

Why new license plates every six years? The next time you are driving home from work or around town running errands, take a moment to behold your bug-splattered, battle tested, long held object of affection. Removing your old plate will be like losing an old friend. And the forced break up is made even more painful knowing you and your fellow Nebraskans are paying \$14 million for “ugly Betty” license plates.

THE SALVATION OF
THE STATE IS
WATCHFULNESS
IN THE CITIZENS

