PREPARED BY: DATE PREPARED: PHONE: John Wiemer February 20, 2024 402-471-0051

**LB 1218** 

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) |                       |         |                      |  |  |  |  |  |
|--|-----------------------|---------|----------------------|--|--|--|--|--|
|  | FY 2024-25 FY 2025-26 |         |                      |  |  |  |  |  |
|  | EXPENDITURES          | REVENUE | EXPENDITURES REVENUE |  |  |  |  |  |
| GENERAL FUNDS  |                       |         |                      |  |  |  |  |  |
| CASH FUNDS   |                       |         |                      |  |  |  |  |  |
| FEDERAL FUNDS  |                       |         |                      |  |  |  |  |  |
| OTHER FUNDS  |                       |         |                      |  |  |  |  |  |
| TOTAL FUNDS  |                       |         |                      |  |  |  |  |  |

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 1218 adds definitions connected to electric and hybrid vehicles.

The bill would also establish an excise tax that would begin on January 1, 2028 of three cents per kilowatt hour on the electric energy used to charge the battery of a motor vehicle at a commercial electric vehicle charging station.

The bill would add to provisions and definitions connected to the Nebraska Power Review Board regarding electric vehicles and the installation requirements of commercial electric vehicle charging stations.

The bill would add a right of refusal process for constructing direct-current, fast-charging stations.

The bill would add a sales and use tax exemption, operative on January 1, 2025, for electric energy when stored, used, or consumed by a motor vehicle and the electricity was subject to the excise tax described above.

Any tax that could be collected and sales and use tax exemptions under this bill, would start to be collected and be exempted in 2028. The Department of Revenue (DOR) does note that the excise tax is levied at the consumer level and there is no requirement for charging station operators to be licensed by the DOR and report the tax. The DOR estimates that this bill would have minimal impact on General Fund revenues.

The DOR also notes costs in FY 26-27 as a result of this bill for a one-time development fee of \$5,500 to develop an online form and for an Information Technology Applications Developer/Senior to modify internal computer applications. The total cost is estimated to be \$116,900.

There is no basis to disagree with these estimates by the DOR.

The Nebraska Power Review Board estimates no fiscal impact to it as the Board would not have an enforcement role under this bill. There is no basis to disagree with this estimate.

The Department of Motor Vehicles estimates no fiscal impact to it as a result of the bill.

| ADMINI  | STRATIVE SERVIO | CES STATE BUDGET DIVISION: REVIEV | N OF AGENCY & POLT. SUB. RESPONSE |  |  |
|---|-----------------|-----------------------------------|-----------------------------------|--|--|
| LB: 1218  | AM:             | AGENCY/POLT. SUB: Departmen       | t of Revenue                      |  |  |
| REVIEWED B  | SY: Joe Massey  | DATE: 2/16/2024                   | PHONE: (402) 471-4181             |  |  |
| COMMENTS: No basis to disagree with the Department of Revenue's assessment of fiscal impact from LB 1218. |                 |                                   |                                   |  |  |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE              |               |                                  |                       |  |  |  |  |
|--|---------------|----------------------------------|-----------------------|--|--|--|--|
| LB: 1218   | AM:           | AGENCY/POLT. SUB: Motor Vehicles |                       |  |  |  |  |
| REVIEWED BY  | Y: Joe Massey | DATE: 1/23/2024                  | PHONE: (402) 471-4181 |  |  |  |  |
| COMMENTS: No basis to disagree with the Motor Vehicles assessment of no fiscal impact from LB 1218 |               |                                  |                       |  |  |  |  |

**LB 1218** Fiscal Note 2024

| State Agency Estimate                                  |              |                |              |         |                 |         |  |
|--|--------------|----------------|--------------|---------|-----------------|---------|--|
| State Agency Name: Department of Revenue Date Due LFO: |              |                |              |         |                 |         |  |
| Approved by: James R. Kamm                             |              | Date Prepared: | 02/16/2024   |         | Phone: 471-5896 |         |  |
|  | FY 2024      | -2025          | FY 2025      | 5-2026  | FY 2026         | -2027   |  |
|  | Expenditures | Revenue        | Expenditures | Revenue | Expenditures    | Revenue |  |
| General Funds  |              | \$0            |              | \$0     | \$116,900       | \$0     |  |
| Cash Funds   |              |                |              |         |                 |         |  |
| Federal Funds  |              |                |              |         |                 |         |  |
| Other Funds  | -            |                |              |         | _               |         |  |
| Total Funds  |              | \$0            |              | \$0     | \$116,900       | \$0     |  |

LB 1218 amends Neb. Rev. Stat. § 66-4,105 to impose a new excise tax of three cents per kilowatt hour on the electric energy used to charge the battery of a motor vehicle at a commercial electric vehicle charging station, beginning 1/1/2028. Unlike most motor fuel taxes which are reported/remitted by distributors, this excise tax is levied at the consumer level. There is no requirement for commercial electric vehicle charging station operators to be licensed with the Department of Revenue (DOR) and report this excise tax. LB 1218 also provides a sales/use tax exemption on the gross receipts from the sale, use, or other consumption in this state of electric energy when stored, used, or consumed by a motor vehicle and the electricity was subject to the excise tax.

It is estimated that this bill will have minimal impact on General Fund revenues.

LB 1218 implementation costs include a one-time development fee of \$5,500 to the current DOR contractor to develop the online form. Additionally, DOR will need 1.0 FTE Information Technology Applications Developer/Senior to modify internal computer applications. These costs and FTE are projected to occur within fiscal year 2026-27.

| Major             | r Objects of Expenditure                            |                     |                     |                     |                       |                       |                       |
|-------------------|---|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Class Code        | Classification Title                                | 24-25<br><u>FTE</u> | 25-26<br><u>FTE</u> | 26-27<br><u>FTE</u> | 24-25<br>Expenditures | 25-26<br>Expenditures | 26-27<br>Expenditures |
| A07012            | Information Technology Application Developer/Senior |                     |                     | 1.0                 |                       |                       | \$80,000              |
|                   |   |                     |                     |                     |                       |                       |                       |
|                   |   |                     |                     |                     |                       |                       |                       |
| Benefits          | Benefits  |                     |                     |                     |                       |                       |                       |
| Operating Costs   |   |                     |                     |                     |                       |                       | \$5,500               |
| Travel            |   |                     |                     |                     |                       |                       |                       |
| Capital Outlay.   |   |                     |                     |                     |                       |                       | \$5,000               |
| Capital Improveme | Capital Improvements.                               |                     |                     |                     |                       |                       |                       |
| Total             | Total   |                     |                     |                     |                       |                       | \$116,900             |

TOTAL.....

| <b>LB</b> <sup>(1)</sup> 1218                   |                         |                          |                                |                         | FISCAL NOTE             |
|---|-------------------------|--------------------------|--------------------------------|-------------------------|-------------------------|
| State Agency OR Political Subdivision Name: (2) | Motor \                 | /ehicles                 |                                |                         |                         |
| Prepared by: (3) Bart Moore                     | Date                    | Prepared: <sup>(4)</sup> | January 23, 2024               | _ Phone: <sup>(5)</sup> | 402-471-3902            |
| ESTIMATE PROV                                   | IDED BY S               | STATE AGEN               | NCY OR POLITICA                | L SUBDIVIS              | SION                    |
| FY  | 2024-25                 |                          |                                | FY 2025                 | -26                     |
| EXPENDITURES                                    |                         | <u>REVENUE</u>           | <u>EXPENDITU</u>               |                         | REVENUE                 |
| GENERAL FUNDS                                   | <u> </u>                |                          | _                              |                         |                         |
| CASH FUNDS                                      |                         |                          | _                              |                         |                         |
| FEDERAL FUNDS                                   |                         |                          |                                |                         |                         |
| OTHER FUNDS                                     |                         |                          |                                |                         |                         |
| TOTAL FUNDS                                     |                         |                          | -                              |                         |                         |
| Explanation of Estimate:                        |                         |                          |                                |                         |                         |
| No Fiscal Impact                                |                         |                          |                                |                         |                         |
|   |                         |                          |                                |                         |                         |
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|   |                         |                          |                                |                         |                         |
|   |                         |                          |                                |                         |                         |
| RREAKDOV  | WN RY MA                | IOR ORIFCT               | TS OF EXPENDITU                | RF                      |                         |
| Personal Services:                              |                         |                          |                                |                         |                         |
| N<br>POSITION TITLE                             | UMBER O<br><u>24-25</u> | F POSITION<br>25-26      | S 2024-25<br><u>EXPENDIT</u> I |                         | 2025-26<br>EXPENDITURES |
|   |                         |                          |                                |                         |                         |
|   |                         |                          | _                              |                         |                         |
| Benefits  |                         |                          |                                |                         |                         |
| Operating                                       |                         |                          |                                |                         |                         |
| Travel  |                         |                          |                                |                         |                         |
| Capital outlay                                  |                         |                          |                                |                         |                         |
| Aid   |                         |                          | <u></u>                        |                         |                         |

|  |   |  | FISCAL NOTE  |  |  |
|--|---|--|--|--|--|
| Nebraska Power Review Board                                    |   |  |  |  |  |
| Date Prepared: (4)   | January 17, 2024  | Phone: (5)   | 402-471-2301   |  |  |
| /IDED BY STATE AGEN  | NCY OR POLITICAL  | SUBDIVIS   | ION  |  |  |
| 7 0004 05  |   | EV anas  | ae   |  |  |
| S REVENUE  | EXPENDITU   |  | REVENUE  |  |  |
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| WN RY MAIOR ORIECT   | CS OF FYPENDITUE  | ? F  |  |  |  |
|  |   | <u></u>  |  |  |  |
| NUMBER OF POSITION  24-25  ——————————————————————————————————— |   | RES_   | 2025-26<br>EXPENDITURES  |  |  |
|  |   |  |  |  |  |
|  |   |  |  |  |  |
|  |   |  |  |  |  |
|  |   |  |  |  |  |
|  |   |  |  |  |  |
|  |   |  | -  |  |  |
| t s / ii   | Date Prepared: (4)  VIDED BY STATE AGEN  Z 2024-25 S REVENUE  ter 70, article 10, which so includes requirement at retail for the purpost rement role regarding scal impact on the Board was by MAJOR OBJECT NUMBER OF POSITION | Date Prepared: (4) January 17, 2024  ZIDED BY STATE AGENCY OR POLITICAL  Z 2024-25  S REVENUE EXPENDITU  Let 70, article 10, which is the Power Revies of includes requirements and procedures of at retail for the purpose of charging elect rement role regarding the right of first ref scal impact on the Board.  WN BY MAJOR OBJECTS OF EXPENDITURE  WN BY MAJOR OBJECTS OF EXPENDITURE | Nebraska Power Review Board  Date Prepared: (4) January 17, 2024 Phone: (5)  VIDED BY STATE AGENCY OR POLITICAL SUBDIVIS  1 2024-25 FY 2025  S REVENUE EXPENDITURES  Let 70, article 10, which is the Power Review Board's so includes requirements and procedures for a right of at retail for the purpose of charging electric vehicles rement role regarding the right of first refusal provisus scal impact on the Board.  WN BY MAJOR OBJECTS OF EXPENDITURE  SUMBER OF POSITIONS 2024-25 |  |  |

**FISCAL NOTE** 

**LB**<sup>(1)</sup> 1218

| State Agency OR Political Subdivision Name: (2) Nebraska Department of Transportation (NDOT)                             |   |  |  |   |   |  |  |
|--|---|--|--|---|---|--|--|
| Prepared by: (3)   | Jenessa Boynton   | Date Prepared: (4)   | 2/15/2024  | Phone: <sup>(5)</sup>   | 402-479-4691  |  |  |
|  | ESTIMATE PRO  | VIDED BY STATE AGEN  | CY OR POLITICA   | L SUBDIVISIO  | N   |  |  |
|  | <u>E</u> XPENDITUR  | <u>FY 2024-25</u><br><u>ES REVENUE</u>   | EXPENDIT   | <u>FY 2025-</u><br><u>TURES</u>   | <u>26</u><br><u>REVENUE</u>   |  |  |
| GENERAL FUN  | DS  |  |  |   |   |  |  |
| CASH FUNDS   |   |  |  |   |   |  |  |
| FEDERAL FUN  | DS  |  | _  |   |   |  |  |
| OTHER FUNDS  |   |  |  |   |   |  |  |
| TOTAL FUNDS  |   |  |  |   |   |  |  |
| electric vehicle of installer who has As proposes, be electric energy to Once the levy is consumed by a of section 66-4, | charging stations funders obtained certification eginning January 1, 202 used to charge the batter imposed no sales and motor vehicle as long at 105. | definition of motor vehice in whole or part by stated in whole or part by stated in whole or part by stated an excise tax of three ery of a motor vehicle at used tax shall be applied as the electricity was substant and until fiscal year 202 | ate or federal function of the infrastructure To the cents per kilowate a commercial election of the excise of the | Is to only be in<br>raining Progra<br>att hour would<br>ectric vehicle<br>rgy when stor | nstalled by an arm.  be levied on the charging station. red, used, or |  |  |
|  |   | WN BY MAJOR OBJECTS  | S OF EXPENDITU   | <u>IRE</u>  |   |  |  |
| Personal Services:   |   | NUMBER OF POSITION   |  |   | 2025-26   |  |  |
| POSIT  | ION TITLE   | <u>24-25</u> <u>25-26</u>  | EXPENDIT   | <u>rures</u>  | <u>EXPENDITURES</u>   |  |  |
|  |   |  |  |   |   |  |  |
| Benefits   |   |  |  |   |   |  |  |
| Operating  |   |  |  |   |   |  |  |
| Travel   |   |  |  |   |   |  |  |
| Capital outlay   |   |  |  |   |   |  |  |
|  |   |  |  |   | _   |  |  |
|  | nents   |  |  |   |   |  |  |
| TOTAL  |   |  |  |   |   |  |  |