

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2015-16</b>		<b>FY 2016-17</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$542,000		\$847,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS		(\$542,000)		(\$847,000)
<b>TOTAL FUNDS</b>	<b>\$542,000</b>	<b>(\$542,000)</b>	<b>\$847,000</b>	<b>(\$847,000)</b>

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

LB 428 amends Nebraska Revised Statutes Section 60-3,185 to provide an additional exemption from the motor vehicle registration fee.

The bill exempts from the motor vehicle registration fee, one motor vehicle owned and used for his or her personal transportation by a veteran of the U.S. Armed Forces who is classified as 100% service-connected disabled or one motor vehicle owned and used by the unmarried surviving spouse of such a veteran.

LB 428 amends Section 60-3,189 to provide requirements for the application for the above exemption by a 100% service-connected disabled veteran.

This same section is also amended to provide for reimbursement by the state to the counties for any loss of revenue connected with this exemption.

The Department of Revenue estimates, assuming an operative date of October 1, 2015, the following fiscal impact:

Fiscal Year:	Motor Vehicle Fee Fund:	General Fund:
2015-16:	(\$ 542,000)	(\$ 542,000)
2016-17:	(\$ 847,000)	(\$ 847,000)
2017-18:	(\$ 880,000)	(\$ 880,000)

The Department of Revenue indicates the cost to implement the provisions of LB 428 will be minimal.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact and cost.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 428	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 2/26/2015	PHONE: 471-4181
COMMENTS: The bill is unclear in terms of what time period the term "year" refers to for purposes of certification of motor vehicle tax loss by county treasurers. No basis upon which to disagree with the Department of Revenue's estimate of annualized fiscal impact, though the first year impact may be different based on how many months the first year reimbursement of tax loss represents.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 428	AM:	AGENCY/POLT. SUB: Dept. of Roads
REVIEWED BY: Lyn Heaton	DATE: 2/26/2015	PHONE: 471-4181
COMMENTS: Concur. No fiscal impact on the Department of Roads.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 428	AM:	AGENCY/POLT. SUB: Dept. of Motor Vehicles
REVIEWED BY: Lyn Heaton	DATE: 2/26/2015	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the Department of Motor Vehicles' estimate of no operational fiscal impact on the Department.		

**State Agency Estimate**

State Agency Name: Department of Revenue      Date Due LFA: 2/25/2015  
 Approved by: Len Sloup      Date Prepared: 2/23/2015      Phone: 471-5896

	<u>FY 2015-2016</u>		<u>FY 2016-2017</u>		<u>FY 2017-2018</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$542,000		\$847,000		\$880,000	
Cash Funds						
Federal Funds						
Other Funds		(\$542,000)		(\$847,000)		(\$880,000)
<b>Total Funds</b>	<b>\$542,000</b>	<b>(\$542,000)</b>	<b>\$847,000</b>	<b>(\$847,000)</b>	<b>\$880,000</b>	<b>(\$880,000)</b>

LB 428 exempts motor vehicles owned and used by honorably discharged disabled veterans or surviving spouses from motor vehicle registration fees if the vehicle is for his or her personal transportation.

Assuming an operative date of October 1, 2015, it is estimated that there will be a reduction to the Motor Vehicle Fee Fund of \$0.542 million, \$0.847 million, and \$0.880 million in FY 2015-16, FY 2016-17, and FY 2017-18, respectively. There will also be a minimal reduction in collection cost reimbursements to each county.

On or before December 31 of each year, each county treasurer must certify to the Tax Commissioner the total motor vehicle tax revenue foregone under the exemption. On or before January 15, the Tax Commissioner must certify the amount foregone to the Director of Administrative Services for purposes of transferring funds from the General Fund to reimburse the counties for the lost revenue associated with the exemption.

It is estimated that there will be minimal costs to the Department to implement this bill.

**Major Objects of Expenditure**

<u>Class Code</u>	<u>Classification Title</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>	<u>15-16</u>	<u>16-17</u>	<u>17-18</u>
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Aid.....							
Capital Improvements.....							
<b>Total.....</b>							

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Prepared by: Gary Ryken

Date Prepared:

26-Feb-15

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2015-2016		FY 2016-2017	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	\$ -	\$ -	\$ -	\$ -

Explanation of Estimate:

No fiscal impact is anticipated.

MAJOR OBJECTS OF EXPENDITURE

POSITION TITLE	NUMBER OF POSITIONS		FY 2015-2016	FY 2016-2017
	15-16	16-17	EXPENDITURES	EXPENDITURES
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital Outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital Improvements	_____	_____	_____	_____
Total	_____	_____	\$ -	\$ -

Please complete ALL (5) blanks in the first three lines.

**2015**

**LB<sup>(1)</sup> 428**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

Nebraska Dept of Roads

Prepared by: <sup>(3)</sup> Becky Fleming

Date Prepared: <sup>(4)</sup> 2/23/15

Phone: <sup>(5)</sup> (402) 479 4692

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	=====	=====	=====	=====

**Explanation of Estimate:**

LB 428 provides that a one hundred percent service disabled veteran and their unremarried surviving spouse are exempt from motor vehicle taxation and for the political subdivision to be reimbursed. Upon approval by the county treasurer of application submitted by the veteran or the unmarried surviving spouse, one motor vehicle will be exempt. The county treasurer shall, on or before December 31 of each year, certified to the Tax Commissioner the total motor vehicle fees that will be lost due to the exemption. The county will be reimbursed from general funds that are appropriated.

No fiscal impact to the Department is anticipated. The Department does not receive any funding from motor vehicle taxation.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____