Doug Gibbs February 26, 2015 402-471-0051

LB 428

Revision: 01 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to make correction to narrative.

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

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 tax, 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 or one motor vehicle owned and used by the unremarried 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.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 428	AM:	AGENCY/POLT. SUB: Dept. of Revenue					
REVIEWED BY: Ly	REVIEWED BY: Lyn Heaton DATE: 2/26/2015 PHONE: 471-4181						
COMMENTS: The	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 ta	reimbursement of tax loss represents.						

LB428, PAGE 2

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 428 AM: AGENCY/POLT. SUB: Dept. of Roads						
REVIEWED BY: Lyr	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	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 Depart	impact on the Department.						

Fiscal Note 2015

		State Agency	Esumate				
State Agency Name: Department of Revenue Date Due LFA: 2/25/2015							
Approved by: Len Sloup		Date Prepared:	2/23/2015		Phone: 471-5896		
	FY 2015-	-2016	<u>FY 2016</u>	-2017	FY 201	7-2018	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	\$542,000		\$847,000		\$880,000		
Cash Funds							
Federal Funds							
Other Funds		(\$542,000)		(\$847,000)		(\$880,000)	
Total Funds	\$542,000	(\$542,000)	\$847,000	(\$847,000)	\$880,000	(\$880,000)	

State A man any Estimate

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>	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 <u>Expenditures</u>	16-17 <u>Expenditures</u>	17-18 <u>Expenditures</u>	
Benefits								
Operating Costs								
Travel								
Capital Outlay	Capital Outlay							
Capital Improvement	nts							
Total								

LB 428 FISCAL NOTE

Prepared by: Gary Ryken Date Prepared: 27-Feb-15 Phone: 471-3902 Fax: 471-3920 Email: gary.ryken@nebraska.gov 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 \$ \$ \$ \$ ----

No fiscal impact is anticipated.

MAJOR OBJECTS OF EXPENDITURE							
		NUMBER OF POS	SITIONS	FY 2015-2016	FY 2016-2017		
POS	SITION TITLE	<u>15-16</u>	16-17	EXPENDITURES	EXPENDITURES		
Benefits				·····			
Operating				·····			
Travel				·····			
Capital Outlay				·····			
Aid				·····			
Capital Improvements				·····			
Total				\$-	\$ -		

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

Explanation of Estimate:

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

LB ⁽¹⁾ 428				FISCAL NOTE
State Agency OR F	Political Subdivision Name: ⁽²⁾	Nebraska Dept	of Roads	
Prepared by: ⁽³⁾	Becky Fleming	_ Date Prepared: ⁽⁴⁾	2/23/15 Phone: (5)	(402) 479 4692
	ESTIMATE PROVIDE	D BY STATE AGEN(CY OR POLITICAL SUBDIVISIO	ON
	<u>FY 20</u> <u>EXPENDITURES</u>	0 <u>15-16</u> <u>REVENUE</u>	<u>FY 2016</u> EXPENDITURES	<u>3-17</u> <u>REVENUE</u>
GENERAL FUN	DS			
CASH FUNDS				
FEDERAL FUNI	DS			
OTHER FUNDS				
TOTAL FUNDS				

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:							
POSITION TITLE	NUMBER O <u>15-16</u>	F POSITIONS <u>16-17</u>	2015-16 <u>EXPENDITURES</u>	2016-17 <u>EXPENDITURES</u>			
Benefits							
Operating							
Travel Capital outlay							
Aid							
Capital improvements							
TOTAL							