Keisha M Patent April 12, 2019 402-471-0059

**LB 237** 

Revision: 01

## **FISCAL NOTE**

Revised to clarify net revenue to counties

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
FY 2019-20 FY 2020-21							
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS	\$15,292						
CASH FUNDS		(\$305,000)		(\$761,000)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$15,292	(\$305,000)		(\$761,000)			

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

LB 237 amends provisions relating to the sales tax collection fee for motor vehicles. The county treasurer will deduct the collection fee, plus an additional one-half of 1% of all amounts exceeding \$3,000 each month, 75% of which will be deposited in the county general fund and 25% of which deposited in the county road fund.

The bill is operative January 1, 2020.

## Revenue:

The Department of Revenue estimates the increase in the collection fee will result in revenue to the Highway Cash Fund and the Highway Allocation Fund as follows:

	Highway Allocation Fund	Highway Cash Fund
FY 2019-2020	(\$324,000)	(\$305,000)
FY 2020-2021	(\$809,000)	(\$761,000)
FY 2021-2022	(\$841,000)	(\$792,000)
FY 2022-2023	(\$875,000)	(\$823,000)

The reduction in revenue to the Highway Cash Fund will decrease the amount of revenue available to the Department of Transportation for construction projects.

The reduction in revenue to the Highway Allocation Fund will decrease funds available to cities and counties in accordance with its distribution formula in 66-4,148. However, LB 237 requires the additional revenue to be collected by counties. The Department of Revenue estimates an increase in the revenue collected by counties pursuant to LB 237 as follows:

	County Collection Fee Revenue
FY 2019-2020	\$629,000
FY 2020-2021	\$1,570,000
FY 2021-2022	\$1,633,000
FY 2022-2023	\$1,698,000

The net revenue available to counties, accounting for the decrease in revenue to the Highway Allocation Fund, is as follows:

	Net County Revenue
FY 2019-2020	\$467,000
FY 2020-2021	\$1,165,500
FY 2021-2022	\$1,212,500
FY 2022-2023	\$1,260,500

## **Expenditures:**

The Department of Revenue estimates a one-time programming charge of \$15,292 to OCIO for development costs.

There is no basis to disagree with the Department of Revenue's estimates of revenue or expenditures.

LB: 237	AM:	AGENCY/POLT. SUB: Nebrask	a Department of Revenue
REVIEWED BY:	Lucas Martin	DATE: 2/13/2019	PHONE: (402) 471-4181

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 237 AM: AGENCY/POLT. SUB: Nebraska Department of Transportation						
REVIEWED BY:	Lucas Martin	DATE: 2/13/2019	PHONE: (402) 471-4181			
COMMENTS: No reason to disagree with Nebraska Department of Transportation's assessment of fiscal impact.						

LB 237 Fiscal Note 2019

State Agency Estimate							
State Agency Name: Department	of Revenue				Date Due LFA:	2/19/2019	
Approved by: Tony Fulton		Date Prepared:	2/12/2019		Phone: 471-5896		
	FY 2019-	2020	FY 2020	-2021	FY 202	21-2022	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	\$15,292		\$0		\$0		
Cash Funds		(\$305,000)		(\$761,000)		(\$792,000)	
Federal Funds							
Other Funds		(\$324,000)		(\$809,000)		(\$841,000)	
Total Funds	\$15,292	(\$629,000)	\$0	(\$1,570,000)	\$0	(\$1,633,000)	

LB 237 changes the sales tax collection fees for motor vehicles by providing that the county treasurer shall deduct, in addition to the collection fee permitted to be deducted by a retailer, an additional one-half of one percent of all amounts in excess of \$3,000 remitted each month. Seventy-five percent of the collection fee shall be deposited in the county general fund and twenty-five percent of which shall be deposited in the county road fund.

The estimated impact of the increase in the collection fee is expected to be as follows:

	Highway	Highway Cash
	Allocation Fund	Fund
FY 2019-2020	(\$324,000)	(\$305,000)
FY 2020-2021	(\$809,000)	(\$761,000)
FY 2021-2022	(\$841,000)	(\$792,000)
FY 2022-2023	(\$875,000)	(\$823,000)

Counties remitting motor vehicle sales tax are expected to see an increase in their collection fees of \$0.629 million, \$1.570 million, \$1.633 million, and \$1.698 million in fiscal years 2019-20 through 2022-23, respectively.

LB 237 will require a one-time programming charge of \$15,292 to be paid to the OCIO for development costs.

This bill becomes operative January 1, 2020.

Major Objects of Expenditure									
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 Expenditures	20-21 Expenditures	21-22 Expenditures		
Benefits									
Operating Costs					\$15,292	\$0	\$0		
Travel									
Capital Improvemen	ts								
775 · 1					\$15,292	\$0	\$0		

$LB^{\scriptscriptstyle{(1)}}$	237							FISCAL NOTE
State Ag	gency OR	Political Subd	livision Name: <sup>(2)</sup>	Nebraska I	Departm	ent of Transp	ortation	
Prepare	ed by: (3)	Becky Fle	eming	Date Prep	ared: (4)	1/24/2019	Phone:	(5) 402-479-4692
		EST	ΓΙΜΑΤΕ PROVI	IDED BY STAT	<u>re agen</u>	CY OR POLITIC	CAL SUBDIV	ISION
			<u>FY</u>	2019-20			FY 20	<u>20-21</u>
		<u>E</u> 2	<u>XPENDITURES</u>	REVI	ENUE	EXPEND	<u>TURES</u>	<u>REVENUE</u>
GENE	RAL FUN	DS _						
CASH	FUNDS	_		(\$30	5,000)			(\$761,000)
FEDEF	RAL FUN	DS _						
OTHE	R FUNDS	- S						
TOTA	L FUNDS	- - -		(\$30	5,000)			(\$761,000)
\$3,000 fund a The es	Premitte ond twent stimated FY FY FY FY	2019-2020 2020-2023 2022-2023	Highway All (Cities and (\$32) (\$84) (\$87)	ve percent of all be deposited ept. of Reven ocation Fund Counties) (4,000) (9,000) (1,000) (5,000)	the collected in the ue of the Highw (Dept.	ction fee shall to county road fur e increase in the vay Cash Fund of Transportat (\$305,000) (\$761,000) (\$792,000) (\$823,000)	e deposited and.	nts in excess of d in the county general fee is expected to be:
constr	uction pi	ojects.						
Person	al Service	es:	BREAKDOW	<u>YN BY MAJOR</u>	OBJECT	S OF EXPENDI	<u>rure</u>	
		TION TITLE		UMBER OF PO 19-20	SITIONS <u>20-21</u>	2019 <u>EXPEND</u>	-	2020-21 EXPENDITURES
Benefit	s							
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