

Revised to clarify net revenue to counties

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

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

**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.

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

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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.			



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**2019**

**LB<sup>(1)</sup> 237**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Transportation

Prepared by: <sup>(3)</sup> Becky Fleming Date Prepared: <sup>(4)</sup> 1/24/2019 Phone: <sup>(5)</sup> 402-479-4692

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB 237 changes provisions relating to sales and use tax collection fees for motor vehicles. It provides that the county treasurer shall deduct, in addition to the current collection fee of 2.5% of the first \$3,000 remitted which is permitted to be deducted by a county, 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 according to the Dept. of Revenue of the increase in the collection fee is expected to be:

	Highway Allocation Fund (Cities and Counties)	Highway Cash Fund (Dept. of Transportation)
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)

This decreases the amount of revenue that the Dept. of Transportation would have available for highway construction projects.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____