

Revised due to adoption of amendments on General File

FISCAL NOTE
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				
CASH FUNDS	\$15,000	(\$467,000)		(\$752,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$15,000	(\$467,000)		(\$752,000)

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. As amended on General File, the county treasurer will deduct the collection fee, plus an additional one-half of 1% of all amounts exceeding \$6,000 each month, 75% of which will be deposited in the county general fund and 25% of which deposited in the county road fund.

As amended, LB 237 amends provisions related to the Department of Revenue Enforcement Fund to allow counties with a population of 150,000 or more to remit \$1 of the collection fee for the first 5,000 vehicles, semitrailers, or trailers registered after October 1, 2019, to the Fund, and for money in the Fund to be used to defray costs of the bill.

The bill is operative October 1, 2019.

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	DOR Enforcement Fund
FY 2019-2020	(\$512,000)	(\$482,000)	\$15,000
FY 2020-2021	(\$799,000)	(\$752,000)	\$0
FY 2021-2022	(\$831,000)	(\$782,000)	\$0
FY 2022-2023	(\$864,000)	(\$813,000)	\$0

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	\$979,000
FY 2020-2021	\$1,551,000
FY 2021-2022	\$1,613,000
FY 2022-2023	\$1,677,000

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	\$723,000
FY 2020-2021	\$1,151,500
FY 2021-2022	\$1,197,500
FY 2022-2023	\$1,245,000

Expenditures:

The Department of Revenue estimates a one-time programming charge to OCIO of \$15,292 for development costs to implement the bill. The revenue directed to the Department of Revenue Enforcement Fund is to be used for this purpose.

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: 1319	AGENCY/POLT. SUB: Department of Transportation	
REVIEWED BY: Lee Will	DATE: 4/24/2019	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with the Department of Transportation's assessment of fiscal impact.			

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

2019

LB⁽¹⁾ 237 AM 1319

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 4/22/2019 Phone: ⁽⁵⁾ 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$482,000)	_____	(\$752,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(\$482,000)	=====	(\$752,000)

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 collection fee which may be deducted by any retailer, an additional one-half of one percent of all amounts in excess of \$6,000 remitted each month. Seventy-five percent of the additional collection fee shall be deposited in the county general fund and twenty-five percent of which shall be deposited in the county road fund.

In any county with a population of 150,000 or more, the county treasurer remits \$1 of the collection fee for each of the first 5,000 motor vehicles, semitrailers, or trailers registered on or after October 1, 2019 to the Department of Revenue Enforcement Fund. The money credited to the fund under this section is to be used by the Dept. of Revenue to defray the costs of implementation.

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	(\$512,000)	(\$482,000)
FY 2020-2021	(\$799,000)	(\$752,000)
FY 2021-2022	(\$831,000)	(\$782,000)
FY 2022-2023	(\$864,000)	(\$813,000)

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

This bill becomes operative October 1, 2019.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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