Keisha Patent April 15, 2019 402-471-0059

LB 237

Revision: 02

FISCAL NOTE

Revised due to adoption of amendments on General File

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201)20-21					
	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.

ADMINIS	STRATIVE SE	RVICES STA	TE BUDGET DIVISION: REVIEW OF AG	ENCY & POLT. SUB. RESPONSE		
LB: 237	AM:	1319	AGENCY/POLT. SUB: Departmen	t 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.						

		State Agency	Estimate			
State Agency Name: Department	of Revenue				Date Due LFA:	4/23/2019
Approved by: Tony Fulton		Date Prepared:	4/18/2019		Phone: 471-5896	
	FY 2019	-2020	FY 2020	-2021	FY 202	21-2022
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds						
Cash Funds	\$15,292	(\$467,000)	\$0	(\$752,000)	\$0	(\$782,000)
Federal Funds						
Other Funds		(\$512,000)		(\$799,000)		(\$831,000)
Total Funds	\$15,292	(\$979,000)	\$0	(\$1,551,000)	\$0	(\$1,613,000)

LB 237 as amended by AM 1319 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 \$6,000 remitted each month. Seventy-five percent of the collection fee will be deposited in the county general fund and twenty-five percent will 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 State Treasurer for credit to the Department of Revenue Enforcement Fund. The money credited to the fund under this section is to be used by the Department of Revenue to defray the costs of implementation.

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

	Highway Allocation Fund	Highway Cash Fund	Department of Revenue 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

Counties remitting motor vehicle sales tax are expected to see an increase in their collection fees of \$0.979 million, \$1.551 million, \$1.613 million, and \$1.677 million in fiscal years 2019-20 through 2022-23, respectively.

The Department of Revenue Enforcement Fund is expected to receive \$15,000 in fiscal year 2019-20.

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 October 1, 2019.

	Major Ob	jects of E	Expendit	ure			
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 <u>Expenditures</u>	20-21 <u>Expenditures</u>	21-22 Expenditures
Benefits							
					\$15,292	\$0	\$0
Capital Improvemen	nts						
Total			• • • • • • • • • • • • • • • • • • • •		\$15,292	\$0	\$0

LB ⁽¹⁾ 23	7 AM 13	19					FISCAL NOTE	
State Agency O	R Political Su	bdivision Name:	Nebrasi	Nebraska Department of Transportation				
Prepared by:	3) Becky F	Teming	Date I	Prepared: (4)	4/22/2019	Phone: (5)	402-479-4692	
	ES	STIMATE PRO	VIDED BY S	TATE AGEN	NCY OR POLITIC	AL SUBDIVIS	SION	
	<u>]</u>	<u>E</u> EXPENDITUR	<u>Y 2019-20</u> <u>ES R</u>	REVENUE	EXPENDI	<u>FY 2020</u> ΓURES	0-21 REVENUE	
GENERAL FU	UNDS							
CASH FUNDS	S		(;	\$482,000)			(\$752,000)	
FEDERAL FU	JNDS							
OTHER FUN	DS							
TOTAL FUN	DS			\$482,000)			(\$752,000)	
excess of \$6,00 fund and twenty In any county w vehicles, semitic redited to the The estimated F F F	OO remitted eary-five percent of the	ch month. Sever of which shall be on of 150,000 or less registered on a section is to be section in the Dept. of Highway Allocation (Cities and County) (\$51 (\$79 (\$83))	nty-five percent deposited in the more, the count or after Octobe used by the De of Revenue of the ation Fund	of the addition the county road ty treasurer re er 1, 2019 to the ept. of Revenu- ne increase in	nal collection fee sha fund. mits \$1 of the collection of Re- e to defray the costs the collection fee is Cash Fund (Dept. of	all be deposited tion fee for eac evenue Enforce of implementa expected to be		
		f revenue that the October 1, 2019.	e Dept. of Trans	sportation wou	ıld have available fo	r highway cons	ruction projects.	
Personal Serv	icos:	BREAKDO	OWN BY MAJ	OR OBJECT	S OF EXPENDIT	<u>'URE</u>		
	SITION TITI	LE	NUMBER OF 19-20	F POSITION <u>20-21</u>	S 2019- EXPENDI		2020-21 EXPENDITURES	
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