

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	\$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. 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 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

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 these estimates.

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.

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.

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 2021-2022	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
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 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)

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

<u>Class Code</u>	<u>Classification Title</u>	<u>19-20 FTE</u>	<u>20-21 FTE</u>	<u>21-22 FTE</u>	<u>19-20 Expenditures</u>	<u>20-21 Expenditures</u>	<u>21-22 Expenditures</u>
	Benefits.....						
	Operating Costs.....				\$15,292	\$0	\$0
	Travel.....						
	Capital Outlay.....						
	Capital Improvements.....						
	Total.....				\$15,292	\$0	\$0

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

2019

LB⁽¹⁾ 237

FISCAL NOTE

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

Prepared by: ⁽³⁾ Becky Fleming Date Prepared: ⁽⁴⁾ 1/24/2019 Phone: ⁽⁵⁾ 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	_____	(\$305,000)	_____	(\$761,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>(\$305,000)</u>	<u>_____</u>	<u>(\$761,000)</u>

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</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____