

Updated to reflect adoption of AM468.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$567,500	MCSSRMF - \$3,430,000 DRPADCF - (\$329,280)	\$4,067,500	MCSSRMF - \$3,430,000 DRPADCF - (\$329,280)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$567,500	\$3,100,720	\$4,067,500	\$3,100,720

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

As amended, LB113 makes the following changes:

1. Provides the Department of Motor Vehicles (DMV) will change an electronic certificate of title for a motorboat, motor vehicle, or trailer without printing the certificate of title when adding, changing, or removing a transfer-on-death beneficiary designation. This change would need to be implemented by January 1, 2022.
2. Authorizes the DMV to recoup the cost of postage and handling when license plates and a registration certificate is mailed by Cornhusker State Industries directly to an individual instead of by a county. The DMV would charge a fee in an amount that is not more than necessary to recover costs. AM468 provides the recovered costs are to be credited to the Motor Vehicle Cash Fund (MVCF)
3. Changes the fee to which the formula provided for in section 60-3,204 is applied to when determining the total fee payment amount for commercial carriers registered under the International Registration Plan. The fee will change from \$32 per ton, to \$35 per ton effective July 1, 2021 until July 1, 2025. Starting July 1, 2025, the fee will be \$33.50 per ton.
4. Creates the Motor Carrier Services System Replacement and Maintenance Fund (MCSSRMF). The fund will be utilized to build, implement, and maintain a new motor carrier services system for processing the issuance of vehicle registrations for fleets of apportionable vehicles and for the assessment of the motor fuel tax under the International Fuel Tax Agreement Act.
5. Eliminates the three (3) percent of 30 percent of registration fees credited to the Motor Carrier Services Division Distributive Fund (MCSDDF) that are remitted to the Department of Revenue Property Assessment Division Cash Fund (DRPADCF).
6. AM468 updates the name of the Motor Vehicle Tax Fund to Highway Tax Fund (HTXF) to align with changes being considered in LB509 (2021).
7. Effective July 1, 2021, requires registration fees credited to the Motor Carrier Services Division Distributive Fund (MCSDDF) pursuant to 60-3,198 be distributed as follows:
 - a. 27 percent to the HTXF
 - b. 64 percent to the Highway Trust Fund (HTF)
 - c. Nine (9) percent to the MCSSRMF
8. Effective July 1, 2025, requires registration fees credited to the MCSDDF pursuant to 60-3,198 be distributed as follows:
 - a. 28 percent to the HTXF
 - b. 67 percent to the HTF
 - c. Five (5) percent to the MCSSRMF
9. Requires the DMV to build and maintain a new motor carrier services system for implementation by July 1, 2025.
10. Effective January 1, 2022, provides the DMV with the authority to appoint driver safety course instructors, in addition to department personnel, to examine applicants who apply for an Class O operator’s license (initial, revoked, or cancelled) ability to operate a motor vehicle.
11. Eliminates the temporary farm permit provided for by 60-4,126(1) and associated fees.
12. Effective January 1, 2022, changes requirements related to a restricted commercial driver’s license issued pursuant to 60-4,146.01.
13. Eliminates the prohibition on third-party skills test examiners who are also a skills instructor either as part of a school, training program, or otherwise from administering a skills test to a commercial driver’s license applicant who received skills training by that skills test examiner.
14. Reduces the duration of the driver’s education and training course that must be attended by a person when they have accumulated a total of 12 or more points assessed against such persons driving record within any period of two (2) years or that chooses to voluntarily take to course to reduce their point total by two (2) points, from eight (8) to four (4) hours.

(continued)

15. Eliminates the \$100 fee charged to applicants for reinstatement, issuance, or renewal of a registration, issued pursuant to the unified carrier registration plan and agreement, within three (3) years of the date of suspension, revocation, or cancellation. This fee would normally be remitted to the Highway Cash Fund (NDOT).

Unless discussed below, the changes outlined above do not have a discernable fiscal impact.

Revenue

The DMV estimates there will be a revenue increase related to the changes outlined under number two (2) above. This amount totals \$67,500 each fiscal year.

The DMV estimates the fee change effective July 1, 2021, that is discussed under number three (3) above, will generate an additional \$3,430,000 in revenue each fiscal year. Although not listed on the DMV fiscal note, it is estimated the additional revenue that would be generated effective with the fee change on July 1, 2025 would be \$1,715,000 each fiscal year. This additional funding would be placed in the newly created MCSSRMF.

Utilizing information provided by the DMV, the DRPADCF would see decrease in revenue in the amount of \$329,280 each FY related to the change discussed under number five (5) above.

The changes in revenue distribution discussed under numbers five (5), seven (7), and eight (8) above will not have a negative impact on the revenues to the HTXF or HTF. This conclusion was arrived at by calculating the amount the HTXF and HTF would receive while accounting for the increased fee and new distribution methodology.

The Department of Revenue (DOR) provided a fiscal note indicating a loss of revenue in the amount of \$310,000 in FY22 and \$320,000 in FY23 related to number five (5) above. Also provided by the DOR are projections that estimate revenue losses to the HTXF and HTF. Based upon calculations discussed above and the NDOT's analysis, the estimates are not accurate.

Expenditures

Expenditures related to the change under number two (2) would mirror revenue, estimated to be \$67,500 each fiscal year.

The DMV anticipates there will be expenditures for the development of a Request for Proposal and for develop of the new system under number nine (9) above. This amount is \$500,000 each in FY22 and \$4,000,000 in FY23.

Revised Agency Fiscal Notes

The DOR and DMV provided revised fiscal notes that only address the changes provided for in AM468. These changes have no fiscal impact, as indicated by each agency.

As amended, LB113 contains all original provisions of the bill in addition to those noted under numbers two (2) and six (6) above. The original fiscal notes provided for LB113 by the DOR and DMV remain valid in relation to the overall impact of LB113 as amended and are to be considered incorporated by this reference.

The NDOT provided a revised fiscal note that mirrors there original fiscal note.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 113	AM: 468	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles	
REVIEWED BY:	Lucas Martin	DATE: 03/12/2021	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Motor Vehicles' assessment of no fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 113	AM: 468	AGENCY/POLT. SUB: Nebraska Department of Revenue	
REVIEWED BY:	Lucas Martin	DATE: 03/17/2021	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Revenue assessment of no fiscal impact.			

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ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 113 AM: 468 AGENCY/POLT. SUB: Nebraska Department of Transportation

REVIEWED BY: Lucas Martin DATE: 03/17/2021 PHONE: (402) 471-4181

COMMENTS: No basis to disagree with the Department of Transportation's assessment of minimal fiscal impact.

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

2021

LB⁽¹⁾ 113 AM468

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Motor Vehicles

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ March 10, 2021 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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:

No Fiscal Impact from AM468.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 113 AM 468

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 3/16/2021 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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 113 as amended by AM 468 continues to apply to NDOT with respect to the proposed changes in the rate per ton fee from \$32 per ton to \$35 per ton on apportionable vehicles beginning July 1, 2021, based on the gross vehicle weight. The \$35 rate would be in effect until July 1, 2025 at which time the rate would be reduced to \$33.50 per ton. The allocation of revenue from the apportionable vehicles fees is proposed to change by fund as follows:

Allocation of Revenue	Current	Proposed July 1, 2021	Proposed July 1, 2025
Highway Trust Fund	70%	64%	67%
Dept. of Revenue Property Assessment Division Fund	3%		
Highway Tax Fund (State Treasurer's Fund formerly known as Motor Vehicle Tax Fund)	27%	27%	28%
NEW Motor Carrier Services System Replacement and Maintenance Fund		9%	5%

With the combination of the changes in the rate per ton and the allocation percentages, minimal fiscal impact is anticipated to the Highway Trust Fund.

The proposed bill will eliminate the reinstatement fee of one hundred dollars credited to the Highway Cash Fund. In discussions with the DMV the occurrence of reinstatement when a fee is applied is negligible.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22 EXPENDITURES</u>	<u>2022-23 EXPENDITURES</u>
	<u>21-22</u>	<u>22-23</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				