

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	see below	see below	see below	see below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	see below	see below	see below	see below

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

LB1110 amends various statutes to provide for the ability to register all-terrain vehicles (ATV's) and utility-type vehicles (UTV's) so that they may be legally operated on any street by an appropriately licensed individual. Cities and Counties would be authorized to restrict the use of ATV's and UTV's on roads within their purview. Further, ATV's and UTV's would not be able to operate on an interstate, expressway, or freeway. The bill's provisions would become operative January 1, 2023.

Individuals registering an ATV/UTV would be required to pay registration fees, display a single license plate, pay the motor vehicle tax, and pay motor vehicle fee.

The Department of Motor Vehicles (DMV) estimates revenue and expenditures utilizing the assumption that there will be 30,000 ATV's/UTV's registered in FY23 and 50,000 in FY24 with the average age of each being 5 years. In the table below revenue estimates are provided for each fee/tax and where such fee tax is remitted.

Fee Type	Fund Remitted To	FY 23	FY 24
Registration Fee	Highway Trust*	\$180,000	\$300,000
Plate Fee	Highway Trust**	\$105,000	\$70,000
Motor Vehicle Tax	Various***	\$900,000	\$1,500,000
Motor Vehicle Fee	Various****	\$300,000	\$500,000
Emergency Medical System	EMS Operation Fund (DHHS)	\$15,000	\$25,000
Recreation Road	Recreation Road Fund (NDOT)	\$45,000	\$75,000
County General	County General Fund	\$45,000	\$75,000
Certificate Fee	DMV Cash Fund	\$60,000	\$100,000
Total		\$1,665,000	\$2,645,000

*Of the registration fees remitted to the Highway Trust Fund, 53.3% of the proceeds are the Highway Cash Fund (NDOT) and 46.6% to the Highway Allocation Fund (Cities and Counties).

**The plate fee is remitted to the Highway Trust Fund but is subsequently transferred to the License Plate Cash Fund (DMV) to offset the cost of the license plate production.

***Motor Vehicle Tax proceeds are distributed as follows;

- 1% of Total – Counties
- 1% of Total – DMV VTR Replacement and Maintenance Cash Fund
- 60% of Remaining - Local School System or District
- 40% of Remaining – Local Government (City, Village, County) - There are three types of distribution that can occur with regard to Counties and Cities/Villages with the portion remaining after the initial 2% is remitted to the DMV and Counties:
 - 1) 18% to City or Village & 22% to County
 - 2) 40% to County - If the tax district is not in a City or Village
 - 3) 22% to City or Village & 18% to County - If the County contains a city of metropolitan class

NRS 60-3,186(d)(3) requires the proceeds from motor vehicle taxes be treated as property tax revenue. The proceeds are considered "other receipts" in the Tax Equity and Educational Opportunities Support Act (TEEOSA) formula. Because there is a potential increase in receipts to those local school systems or districts that receive equalization aid, there is a corresponding General Fund impact (i.e. decrease in General Fund expenditures). This amount would appear to be negligible based on the DMV estimates outlined above. Further, the amount not determinable. Any General Fund impact would not be realized until FY25.

****Motor Vehicle Fee proceeds are distributed as follows;

- 1% of Total – Counties
- 99% of Total – Motor Vehicle Fee Fund (distributed 50% to Cities/50% to Counties)

The DMV estimates additional expenditures related to license plate production and decals - \$146,810 in FY23 and \$38,435 in FY24, and registration forms and renewal notices - \$2,500 in FY23 and \$15,100 in FY24. Lastly, system updates will be required but can be absorbed within the DMV's existing appropriation.

The Nebraska Game and Parks Commission provided a fiscal note that indicates any additional expenditures associated with registering an ATV/UTV, should there be a need, can be absorbed within the agencies existing appropriation

The Department of Transportation (NDOT) provided a fiscal note indicating there could be a minimal increase in revenue to the Highway Trust Fund but that the amount is indeterminate.

The State Patrol and City of Imperial provided fiscal notes indicating no fiscal impact.

The Lancaster County Treasurer utilized DMV data to estimate a total county revenue increase of \$9,690 fiscal year. Additionally, the county treasurer would need to hire an additional staff member to cover the additional workload at a cost of \$55,877 in FY23 and \$58,268 in FY24. It is unclear whether the revenue estimates and FY23 expenditure estimates are adjusted to account for the operative date of the bill.

Lincoln County provided a fiscal note indicating they would anticipate an increase in local revenue but that the amount is unknown.

Unless indicated otherwise, there is no basis to disagree with any estimate provided by a state agency or political subdivision.

NOTE: State and local sales tax is collected at the point in time a title is issued for an ATV/UTV. There is currently no mechanism in place to ensure that a title is issued and sales tax collected on an ATV/UTV. As the provisions of the bill would require contact with the DMV if an individual chooses to register their ATV/UTV, it is possible an increase in the sales tax collected for ATV/UTV sales could be actualized. State sales tax proceeds would be remitted to the NGPC Capital Maintenance Fund and any local sales tax would be directed for use in accordance with the local requirements.

(continued)

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1110	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Patrick Redmond	DATE: 1/28/2022	PHONE: (402) 471-4181
COMMENTS: The Department of Motor Vehicles assessment of fiscal impact from LB 1110 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1110	AM:	AGENCY/POLT. SUB: Game and Parks Commission
REVIEWED BY: Patrick Redmond	DATE: 1/27/2022	PHONE: (402) 471-4181
COMMENTS: The Game and Parks Commission assessment of no fiscal impact from LB 1110 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1110	AM:	AGENCY/POLT. SUB: Department of Transportation
REVIEWED BY: Patrick Redmond	DATE: 2/9/2022	PHONE: (402) 471-4181
COMMENTS: The Department of Transportation assessment of no fiscal impact from LB 1110 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1110	AM:	AGENCY/POLT. SUB: State Patrol
REVIEWED BY: Patrick Redmond	DATE: 1/28/2022	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the State Patrol assessment of no fiscal impact from LB 1110.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1110	AM:	AGENCY/POLT. SUB: City of Imperial
REVIEWED BY: Patrick Redmond	DATE: 1/25/2022	PHONE: (402) 471-4181
COMMENTS: The City of Imperial assessment of no fiscal impact from LB 1110 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1110	AM:	AGENCY/POLT. SUB: Lancaster County Treasurer
REVIEWED BY: Patrick Redmond	DATE: 1/28/2022	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Lancaster County Treasurer assessment of fiscal impact from LB 1110.		

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2022

LB⁽¹⁾ 1110

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 26, 2022 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	149,310	129,000	53,535	215,000
FEDERAL FUNDS				
OTHER FUNDS		1,521,000		2,430,000
TOTAL FUNDS	149,310	1,650,000	53,535	2,645,000

Explanation of Estimate:

Revenue estimates are based on 30,000 ATV/UTV to be registered in FY 2022-23 and 50,000 for FY 2023-24. The average age of each ATV/UTV will be 5 years. The effective date is January 1, 2023.

Type	Fund	Amount FY 23	Amount FY 24
Registration Fee	Highway Trust	180,000	300,000
Plate Fee	Highway Trust	105,000	70,000
Motor Vehicle Tax	Various	900,000	1,500,000
Motor Vehicle Fee	Various	300,000	500,000
E M S	EMS	15,000	25,000
Recreation Road	Rec Road	45,000	75,000
County General	County General	45,000	75,000
DMV Cash Fund	DMV	60,000	100,000
Total		1,665,000	2,635,000

Expenditures:

Program 090 – License Plates and Decals - \$146,810 for FY 2022-23 and \$38,435 for FY 2023-24

Program 070 – Registration Forms and Renewal Notices - \$2,500 for FY 2022-23 and \$15,100 for FY 2023-24.

The increase in FY 2023-24 is due to renewal notices would not be sent during FY 2022-23.

There will also be 250 hours of programming and testing by existing DMV/vendor staff that will be absorbed within existing appropriation.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			149,310	53,535
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			148,010	54,235

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2022

LB⁽¹⁾ 1110 Change provisions regarding regulation and operation of ATV & UTV

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Game and Parks Commission

Prepared by: ⁽³⁾ Christina Peters Date Prepared: ⁽⁴⁾ 1/24/2022 Phone: ⁽⁵⁾ (402) 471-5403

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

The proposed legislation proposes to classify ATVs and UTV's (specifically certified as "manufactured for off-road use") as motor vehicles and provide for a mechanism to license and register them for operation on roadways. It is this agency's interpretation that licensing and registration is not necessarily required to own a vehicle, but if done, would provide legal access to some roadways.

The majority of such vehicles owned and operated by NGPC are used within the perimeters of the park, recreation, fishery and wildlife management areas. When a need to use on roadways is identified, NGPC would be responsible for the costs of registering the vehicle, acquiring the license plate, and purchasing any needed safety gear (helmet, flag, etc.). If costs are similar to registering automobiles, NGPC pays only the Wheel Tax charged by Lancaster County at the time of initial registration.

The Nebraska Game and Parks Commission would make internal adjustments to compensate for any potential future expenditures.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2022

LB⁽¹⁾ 1110

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 2/7/2022 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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 1110 proposes to allow all-terrain vehicles (ATV) and utility-type vehicles (UTV) registered pursuant to the Motor Vehicle Registration Act to operate on any highway except on the National System of Interstate and Defense Highways, expressways, freeways, and highways when prohibited by an ordinance adopted by a county, city, or village. The proposed registration fee for an ATV or UTV is six dollars. In addition, one plate will be issued to ATVs and UTVs.

The passing of LB 1110 may cause a minimal increase in revenue to the State Highway Trust Fund, which is shared by Nebraska Dept. of Transportation and cities/counties. The amount is indeterminate because of the unknown number of ATVs and UTVs which will be registered and issued a plate.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</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.

2022

LB⁽¹⁾ 1110

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 1/24/22 Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2022

LB⁽¹⁾ 1110

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Imperial

Prepared by: ⁽³⁾ Jo Leyland

Date Prepared: ⁽⁴⁾ 01/25/2022

Phone: ⁽⁵⁾ 308-882-4368

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2022-23	2023-24
	22-23	23-24	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2022

LB⁽¹⁾ 1110

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Treasurer

Prepared by: ⁽³⁾ Kristen Anderson Date Prepared: ⁽⁴⁾ 1/27/22 Phone: ⁽⁵⁾ (402) 441-7409

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$55,877.02</u>	<u>\$9,690</u>	<u>\$58,268.28</u>	<u>\$9,690</u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Explanation of Estimate:

We are using data provided by the state DMV that shows 5,100 registered ATV's in Lancaster County. We do not know how many additional ATV's and UTV's are owned in Lancaster County that are not currently registered.

We came to the revenue estimate using the following:

Estimated number of ATV's - 5100 with the average age 5 years

Motor Vehicle Tax (1% of \$50) \$1530

Motor Vehicle Fee (1% of \$10) \$510

Registration Fee (\$1.50 of \$6) \$7650

An additional staff member is needed to cover the additional workload of registering and titling the ATV's.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Motor Vehicle Clerk II	<u>1</u>	<u>1</u>	<u>38,914.06</u>	<u>41,305.32</u>
Benefits.....			<u>16,962.96</u>	<u>16,962.96</u>
Operating.....			<u> </u>	<u> </u>
Travel.....			<u> </u>	<u> </u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u>\$55,877.02</u>	<u>\$58,268.28</u>