Sandy Sostad April 18, 2011 471-0054

**LB 289** 

Revision: 01

Revised on 4/19/11 based upon amendments adopted through 4/18/11.

# FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FIS	SCAL IMPACT – STAT	TE AGENCIES *	
	FY 201	1-12	FY 29	012-13
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$200		\$400
CASH FUNDS	\$29,250	\$825		\$2,000
FEDERAL FUNDS				0
HIGHWAY TRUST FUND		See Below		See Below
TOTAL FUNDS	\$29,250	\$1,025		\$2,400

<sup>\*</sup>Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 289 pertains to low-speed vehicles. The bill allows low-speed vehicles to be operated on a highway on which the speed limit does not exceed 35 miles per hour. The bill requires that all low-speed vehicles sold in the state on or after January 1, 2012 be titled and registered. The registration fee is \$15. Low speed vehicles are also required to have a license plate and motor vehicle taxes and fees are to be paid on such vehicles.

The bill allows the Department of Roads (NDOR) to prohibit the operation of low-speed vehicles on any highway, if it determines it is necessary in the interest of public safety. The bill also repeals the Alternative Fuel Tax Act and provides for a \$75 fee to be paid upon registration of a vehicle powered by an alternative fuel.

Expenditures: The Department of Motor Vehicles (DMV) will incur an estimated one-time cost of \$29,250 of cash funds in FY 2011-12 for computer programming to modify the Vehicle Title Registration System to incorporate the titling and registering of low-speed vehicles and the collection of the alternative fuel fee. It is possible NDOR will have increased expenses for signs to prohibit low-speed vehicles on certain highways. No fiscal impact is estimated at this time.

Owners of motor vehicles powered by alternative fuels currently apply to the Department of Revenue for an annual alternative fuel user permit. The fee for a permit is \$75 fee which is deposited in the Highway Trust Fund. The bill provides for the collection of the \$75 fee at the time a motor vehicle is registered. The repeal of the Alternative Fuel Tax Act will minimally reduce the workload of the Department of Revenue. No fiscal impact is anticipated for the department.

Revenues: The number of low-speed vehicles is unknown. DMV estimates there may be about 100 low-speed vehicles titled in the initial year and an additional 100 titled in the second year. NDOR estimates there could be about 1,000 low-speed vehicles registered each year. Assuming there are 100 low-speed vehicles titled in 2011-12 and an additional 200 titled in 2012-13, the following chart shows the estimated revenue from title and registration fees. The revenue reverting to the Highway Trust Fund is remitted to NDOR (53 1/3%), cities (23 1/3%), and counties (23 1/3%).

The change in paying the alternative fuel fee during the registration process rather than to the Department of Revenue is revenue neutral for the Highway Trust Fund because the \$75 fee is unchanged by the bill.

Entity	Fee	Title Fees 2011-12 Est. # of Titles	Revenue	がのはある	Entity	Fee	Title Fees 2012-13 Est. # of Titles	Revenue
General Fund	\$2.00	100	200		General Fund	\$2.00	200	400
DMV Cash Fund	\$4.00	100	400		DMV Cash Fund	\$4.00	200	800
Attorney General CF	\$0.20	100	20		Attorney General CF	\$0.20	200	40
State Patrol Cash Fund	\$0.45	100	45	震	State Patrol Cash Fund	\$0.45	200	90
Mtr. Veh. Ind. Lic. CF	\$0.10	100	10		Mtr. Veh. Ind. Lic. CF	\$0.10	200	20
Counties	<b>\$3.25</b>	100	325	The second	Counties	<u>\$3.25</u>	200	650
Total Title Fees	\$10.00		\$1,000	935	Total Title Fees	\$10.00		\$2,000

		Registration Fees 2011-12					Registration Fees 2012-13	
Entity	Fee	Est. # of Regs.	Revenue	2	Entity	Fee	Est. # of Regs.	Revenue
Highway Trust Fund	\$15.00	100	1,500	1	Highway Trust Fund	\$15.00	300	4,500
DMV Cash Fund	\$1.50	100	150	1	DMV Cash Fund	\$1.50	300	450
Recreation Road Fund Emerg. Med. Sys. Op.	\$1.50	100	150	·	Recreation Road Fund Emerg. Med. Sys. Op.	\$1.50	300	450
Fund	\$0.50	100	50	1	Fund	\$0.50	300	150
Counties	<u>\$2.00</u>	100	200	455	Counties	<u>\$2.00</u>	300	600
Total Registration Fees	\$20.50		\$2,050	All I	Total Registration Fees	\$20.50		\$6,150

The bill, as amended, requires low speed vehicles to have a single license plate. The Highway Trust Fund is the source of funding for license plates. It is assumed the cost to manufacture the plates will be covered by the license plate fee, so the bill will have no net fiscal impact for the Highway Trust Fund.

LB 289, as amended, imposes a motor vehicle base fee of \$10 and a motor vehicle base tax of \$50 for a low speed vehicle. The actual taxes and fees paid are determined by adjusting the base by a factor based on the age category of the vehicle. The maximum increase in revenue from an estimated 100 low speed vehicles in FY2011-12 and 200 additional vehicles in FY2012-13 is as follows for the entities shown:

		Motor Vehicle Fees 2010-11					Motor Vehicle Fees 2011-12	
Entity	Fee	Est. # of Veh.	Revenue	100	Entity	Fee	Est. # of Veh.	Revenue
Counties	\$5.00	100	500		Counties	\$5.00	300	1,500
Cities	<u>\$5.00</u>	100	500		Cities	<b>\$5.00</b>	300	<u>1.500</u>
Total Mtr. Vehicle Fees	\$10.00		\$1,000	A.C.	Total Mtr. Vehicle Fees	\$10.00		\$3,000

		Motor Vehicle Taxes 2010-11					Motor Vehicle Taxes 2011-12	
Entity	Fee	Est. # of Veh.	Revenue	Sept.	Entity	Fee	Est. # of Veh.	Revenue
Counties	\$11.00	100	1,100		Counties	\$11.00	300	3,300
Cities	\$9.00	100	900	G.	Cities	\$9.00	300	2,700
Schools	\$30.00	100	3,000		Schools	<u>\$30.00</u>	300	9,000
Total Mtr. Vehicle Taxes	\$50.00		\$5,000		Total Mtr. Vehicle Taxes	\$50.00		\$15,000

#### DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	DATE 3/7/11	PHONE 471-2526

#### COMMENTS

NEBRASKA DEPARTMENT OF MOTOR VEHICLES: The Department of Motor Vehicles estimates approximately 100-200 registrations of low-speed vehicles. The Department of Roads estimates 1,000 such vehicle registrations. The Department of Motor Vehicles' revenue estimates may be low. No basis to dispute DMV cost estimate.

DEPARTMENT OF ROADS: The Department of Roads estimates approximately 1,000 low-speed vehicles would be registered. The Department of Motor Vehicles estimates only 100 such low-speed vehicle registrations. Department of Roads' estimate of revenues may be high.

DEPARTMENT OF REVENUE: The Department of Roads' fiscal note on LB 289 indicates the Highway Trust Fund would see a minor revenue increase of \$3,600 in FY 2011-12 and \$8,800 in FY 2012-13.

No basis to dispute Department of Revenue's assumption that the bill will have no cost impact on the agency.

### FISCAL NOTE as Amended by AM416

MAR 0 7 2011

2011

# NEBRASKA DEPARTMENT OF MOTOR VEHICLES $^{\text{LEGISLATIVE}}$ FISCAL

Prepared by: Gary Ryken

LB 289

y Ryken Date Prepared:

07-Mar-11

Phone: 471-3902

Fax: 471-9594

Email: gary.ryken@nebraska.gov

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

FY 201	1-2012	FY 2012-2013				
EXPENDITURES REVENUE		EXPENDITURES	RE	EVENUE		
	\$ 200		\$	200		
\$ 29,250	\$ 550		\$	700		
	\$ 2,250		\$	3,750		
	\$ 800		\$	1,200		
\$ 29,250	\$ 3,800	\$ -	\$	5,850		
	\$ 29,250	\$ 200 \$ 29,250 \$ 550 \$ 2,250 \$ 800	EXPENDITURES  \$ 200  \$ 29,250  \$ 2,250  \$ 800	EXPENDITURES         REVENUE         EXPENDITURES         REVENUE           \$ 200         \$           \$ 29,250         \$ 550         \$           \$ 2,250         \$         \$           \$ 800         \$         \$		

Explanation of Estimate:

LB 289 provides for the titling and registration of low-speed vehicles and a new alternative fuel fee. It is estimated that approximately 100-200 such vehicles would be titled and registered each year. The VTR system will require modifications to accommodate the alternative fuel fee and add the low speed vehicle class to the database. It is estimated that 390 programming hours will be needed to make the changes. Due to the expected low numbers the license plate appropriation is adequate to handle the increase.

Expendit	ures		Hrs.		Rate	Total
	Computer Programmin	g	390	\$	75	\$ 29,250
Revenues	6				2012	2013
	Title Fees					
	County Retained	\$ 3.25		\$	325	\$ 325
	DMV Cash Fund	\$ 4.00		\$	400	\$ 400
	State General Fund	\$ 2.00		\$	200	\$ 200
	Other	\$ 0.75		\$	75	\$ 75
	Registration Fees					
	Highway Trust Fund	\$ 15.00		\$	1,500	\$ 3,000
	DMV Cash Fund	\$ 1.50		\$	150	\$ 300
	Road Recreation Fund	\$ 1.50		\$	150	\$ 300
	EMS Fund	\$ 0.50		\$	50	\$ 100
	County Retained	\$ 2.00		\$	200	\$ 400
	Alternative Fuel Fee					
	Highway Trust Fund	\$ 75.00		\$	750	\$ 750
		MAJOR OBJEC	TS OF EXPEN	DITI	IRE	

	MAJOR	OBJECTS OF EXPENDITU	RE	
	NUMI	BER OF POSITIONS	2011-2012	2012-2013
POSITION	TITLE 11	<u>-12</u> <u>12-13</u>	<b>EXPENDITURES</b>	<b>EXPENDITURES</b>
Benefits				
Operating			\$ 29,250	
Travel				
Capital Outlay				
Aid			<u></u>	
Capital Improvements				
Total			\$ 29,250	\$ -

Date: 3/7/2011 Page 1 of 1

## FISCAL NOTE LB289 **Department of Roads**

MAR 0 7 2011

Prepared By Hayes, Marilyn Date Prepared 1/19/2011 Prepared Phone 402-479-4692

LEGISLATIVE PISCAL

	FY 201	1-2012	FY 2012-2013		
	Expenditures	Revenue	Expenditures	Revenue	
General Funds					
Cash Funds		\$3,250		\$7,800	
Federal Funds					
Other Funds					
Total Funds		\$3,250		\$ 7,800	

### **Explanation of Estimate:**

LB 289, as amended by AM 416, would allow operation of low-speed vehicles on highways and provide for a registration fee of \$15. It also imposes a registration fee of \$75 for each motor vehicle powered by an alternative fuel. Section 66-688 is outright repealed which mandates a \$75 alternative fuel tax.

Low-speed vehicles are estimated at 1,000 and would generate revenue of \$15,000. (NDOR share is 53 1/3% or \$8,000. Cities / Counties are 23 1/3% each.)

Alternative fuel powered vehicles are estimated at 20 and would generate revenue of \$1,500. (NDOR share is 53 1/3% or \$800. Cities / Counties are 23 1/3% each.)

The loss of revenue from the Alternative Fuel Tax is estimated at \$1,500. (NDOR share is approximately 70%, depending on the variable and wholesale rates. Cities / counties are approximately 15 % each. Loss of revenue to NDOR is approximately \$1,000.)

Total Impact on NDOR is approximately \$7,800 additional revenue annully.

With an effective date of January 1, 2012, the FY-12 fiscal impact is 5/12ths or \$3,250.

However, this increased revenue may be offset by additional expenses to post signs to prohibit low-speed vehicles if it becomes necessary for public safety. No additioinal expense is anticipated at this time.

Major Objects of Expenditure

	Number	of Positions	FY 2011-2012	FY 2012-201	
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures	
	<del></del>	Benefits			
		Operating			
		Travel			
		Capital outlay			
		Aid			
		Capital improvements			
		Total			

### RECEIVED

FEB 0 8 2011

_	_	_	_	_
	D	~	v	O
		L	n	-

Fiscal Note 2011

LEGISLA	TIVE FISUAL	State Agency	y Estimate	<u> </u>	-		
State Agency Name: Department o	f Revenue				Date Due LFA:	1/18/2011	
Approved by: Douglas Ewald		Date Prepared	l: 1/20/2011		Phone: 471-5700		
	FY 2011	FY 2011-2012		FY 2012-2013		FY 2013-2014	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	1					1	
Cash Funds							
Federal Funds		<del></del>					
Other Funds							
Total Funds						1	
					-		

LB 289 removes the responsibility for administering the alternative fuel user program from the Department of Revenue and transfers it to the Department of Motor Vehicles.

There is no impact to the General Fund or to the Highway Trust Fund, and there is no departmental cost to implement this bill.

	Majo	or Objects of E	Expendit	ure			
Class Code	Classification Title	11-12 <u>FTE</u>	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures
Paramet 1							
\id							
apital Improvements							