

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(see below)		(see below)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 842 eliminates the requirement that a servicemember or their spouse be a resident of a state other than Nebraska in order to be granted an exception under NRS 60-3,185(4) to paying the motor vehicle tax.

Based on the Department of Motor Vehicles assessment and assumptions (see attached) the total loss of revenue is estimated to be \$2,748,597. Based on the agencies estimates and pursuant to 60-3,186, the following entities would have an estimated reduced annual revenue in the amount of:

- \$27,485 - Counties
- \$27,485 - DMV Vehicle Title and Registration System Replacement and Maintenance Cash Fund
- \$1,616,175 - Schools
- \$1,077,450 - Local Government

Another point of consideration is how many individuals who would qualify for the new exemption currently pay the motor vehicle tax vs. those maintaining a residence in another state. Those individuals maintaining residence in another state are currently not paying the motor vehicle tax in Nebraska. This contributes to the difficulty in determining an estimated fiscal impact.

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2020

LB⁽¹⁾ 842

FISCAL NOTE

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

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(27,486)	_____	(27,486)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	(27,486)	=====	(27,486)

Explanation of Estimate:

According to the Nebraska National Guard there are 588 Active Guard Reserve that are required to reside in the State of Nebraska. Also, according to the Offutt Economic Impact Analysis 2018 there are 6,122 active duty at Offutt Air Force Base. We are estimating 70% of these active duty claim Nebraska as their state of residence.

The DMV is estimating the average motor vehicle tax collected per registered vehicle is \$300 per year, which is based on an average MSRP of \$30,000, and a 5 year average age. The DMV is also estimating 1.88 vehicles per household in the United States per USDOT.

Based on the actual count of Activity Military with the estimates from the DMV, the calculations for loss of Motor Vehicle Tax would exist.

There would be 4,873 Active Military with 1.88 vehicles at \$300.00 per vehicle for a loss of Motor Vehicle Tax of \$2,748,597.60. The loss would impact the following on an annual basis:

- County 1% - \$27,485.98
- DMV 1% (VTR) - \$27,485.98
- Schools - \$1,616,175.39
- Local Government - \$1,077,450.26

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====