

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$110,900	See Below	\$54,800	See Below
CASH FUNDS	\$5,000	See Below	\$5,000	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$115,900	See Below	\$59,800	See Below

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

LB505 provides a definition for a plug-in hybrid electric vehicle, and sets the motor vehicle registration fee for these vehicles at \$125. The bill also changes the motor vehicle registration fee for alternative fuel powered vehicles at \$200. LB505 also provides definitions of several alternative fuels, their producers, exporters, importers, distributors, along with commercial electric vehicle charging stations.

Then, LB505 establishes that the excise tax for motor fuels remains 9.5 cents per gallon. While imposing a new excise tax of 3 cents per kilowatt hour on electric energy used to charge the battery of a motor vehicle at a commercial electric vehicle charging station, if the location is not a residence. The exemption to this would be if charging at a station which is operated by a political subdivision who does not charge for the electric energy.

Finally, LB505 exempts from sales and use tax electric energy stored, used, or consumed by a motor vehicle when the electricity was subject to the excise tax in section 66-4,105 subsection 1. This bill would take effect on January 1, 2024.

Expenditures:

The Nebraska Department of Revenue has indicated a one-time programming charge of \$1,500 to the OCIO for development costs, plus the need to hire 1 FTE Information Technology Applications Developer/Senior the 1st year, then .5 FTE the years after. This would be a \$110,900 expense in FY2023-24 and \$54,800 in FY2024-25, with \$56,100 estimated the 1st year of the next biennium.

The Nebraska Department of Motor Vehicles has stated that LB505 would cause a \$5,000 annual increase in expenditures for the purchase of expanded fuel data necessary to identify plug-in hybrid vehicles. In addition, there would be programming costs to accommodate the new data elements and adjust the fees, which the agency expects it will be able to absorb within their existing appropriations.

The Metropolitan Utilities District has specified that registration fees for compressed natural gas vehicles will increase from the current rate of \$75 to a new rate of \$200 (thus a \$125 increase). MUD has 188 compressed natural gas vehicles for which this rate increase would cause an increased expenditure of (\$125*188) \$23,500. This increased expenditure is not at the state level, thus not accounted for in the state agency fiscal impact boxes above.

Revenues:

The Nebraska Department of Revenue has indicated the bill would have minimal impact on general fund revenues from a \$75 increase in registration fees.

The Nebraska Department of Transportation is anticipating a minimal impact as there is a small number of plug-in hybrid vehicles in the state, hence any change to the Build Nebraska Act funds within the State Highway Capital Improvement Fund for NDOT and the Highway Allocation Fund for cities and counties, would be minimal.

Both the Nebraska Department of Environment and Energy and the Nebraska Ethanol Board have indicated no fiscal impact.

There is no basis to disagree with these estimates above.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 505	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY:	Jacob Leaver	DATE: 3/3/2023	PHONE: (402) 471-4173
COMMENTS: The Department of Revenue's estimated fiscal impact to the agency as a result of LB 505 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 505	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY:	Jacob Leaver	DATE: 1/31/2023	PHONE: (402) 471-4173
COMMENTS: The Department of Motor Vehicles' estimated fiscal impact as a result of LB 505 seems reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 450	AM:	AGENCY/POLT. SUB: Department of Environment and Energy	
REVIEWED BY:	Jacob Leaver	DATE: 1/18/2023	PHONE: (402) 471-4173
COMMENTS: Concur with the Department of Environment and Energy's estimate of no fiscal impact to the agency as a result of LB 450.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 505	AM:	AGENCY/POLT. SUB: Nebraska Ethanol Board	
REVIEWED BY:	Jacob Leaver	DATE: 1/25/2023	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Nebraska Ethanol Board's estimate of no fiscal impact to the agency as a result of LB 505.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 505	AM:	AGENCY/POLT. SUB: Metropolitan Utilities District	
REVIEWED BY:	Jacob Leaver	DATE: 1/25/2023	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Metropolitan Utilities District's estimated fiscal impact as a result of LB 505.			

State Agency Estimate

State Agency Name: Department of Revenue

Date Due LFO:

Approved by: Glen White

Date Prepared: 03/02/2023

Phone: 471-5896

	FY 2023-2024		FY 2024-2025		FY 2025-2026	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$110,900	Minimal	\$54,800	Minimal	\$56,100	Minimal
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$110,900	Minimal	\$54,800	Minimal	\$56,100	Minimal

LB 505 amends Neb. Rev. Stat. § 66-4,105 to add an excise tax of three cents per kilowatt hour on electric energy used to charge the battery of a motor vehicle at a commercial electric vehicle charging station at a location other than a residence, unless the station is operated by a political subdivision and the political subdivision does not charge for the electric energy. The excise tax imposed under Neb. Rev. Stat. § 66-4,105(1) remains nine and one-half cents per gallon on all motor fuels used in Nebraska and due to the State of Nebraska under Neb. Rev. Stat. § 66-489. LB 505 exempts from sales and use tax electric energy stored, used, or consumed by a motor vehicle when the electricity was subject to the excise tax in Neb. Rev. Stat. § 66-4,105(1).

Commercial electric vehicle station operators that charge for electric energy must keep complete and accurate records of the amount of electric energy used to charge the batteries of such motor vehicles and report such information and remit the collected excise tax to the Department of Revenue (DOR).

LB 505 amends Neb. Rev. Stat. § 60-3,191 to provide that the registration fee for each motor vehicle powered by alternative fuels is \$200, except it is \$125 for plug-in hybrid electric vehicles. This is an increase from the current fee of \$75.

It is estimated that this bill will have minimal impact on General Fund revenues.

LB 505 will require a one-time programming charge of \$1,500 paid to the OCIO for development costs. The DOR will also need an Information Technology Applications Developer/Senior to implement the bill, 1 FTE in the first year and 0.5 FTE for subsequent years.

The operative date for this bill is January 1, 2024.

Major Objects of Expenditure

Class Code	Classification Title	23-24 FTE	24-25 FTE	25-26 FTE	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
A07012	Information Technology Applications Developer/Senior	1.0	0.5	0.5	\$78,500	\$41,200	\$42,200
Benefits.....					\$25,900	\$13,600	\$13,900
Operating Costs.....					\$1,500		
Travel.....							
Capital Outlay.....					\$5,000	\$0	\$0
Capital Improvements.....							
Total.....					\$110,900	\$54,800	\$56,100

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2023

LB⁽¹⁾ 505

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 24, 2023 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	5,000		5,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>5,000</u>		<u>5,000</u>	

Explanation of Estimate:

The \$5,000 annual increase in expenditures will be for the purchase of expanded fuel data necessary to identify plug-in hybrid vehicles.

We will have programming to accommodate the new data elements and to adjust the fees charge but will be able to absorb these costs within existing appropriations.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			5,000	5,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>5,000</u>	<u>5,000</u>

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2023

LB⁽¹⁾ 505

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Environment and Energy

Prepared by: ⁽³⁾ Kevin Stoner Date Prepared: ⁽⁴⁾ January 18, 2023 Phone: ⁽⁵⁾ 402 471-2186

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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 505 affects electric vehicle charging, plug-in hybrid electric vehicles, registration fees for alternative-fuel vehicles, and taxation of electric vehicle charging. These fees are given to the Department of Motor Vehicles. There is no anticipated fiscal impact on NDEE.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2023

LB⁽¹⁾ 505

FISCAL NOTE

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

Prepared by: ⁽³⁾ Liza Alderman Date Prepared: ⁽⁴⁾ 3/2/23 Phone: ⁽⁵⁾ 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	See below	_____	See below
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 505 proposes an update to the registration fee charged for each motor vehicle powered by an alternative fuel. The registration fee shall be two hundred dollars except for plug-in hybrid electric vehicles where the fee shall be one hundred twenty-five dollars. Registration fees shall be collected by the county treasurer and remitted to the State Treasurer to be credited to the Highway Trust Fund. Additionally, the bill states sales and use taxes shall not be imposed on the gross receipts from the sale, or other consumption in this state of electric energy when stored, used, or consumed by a motor vehicle and the electricity was subject to the excise tax imposed in subsection (1) of section 66-4,105. The operative date of the bill is January 1, 2024.

If LB505 is enacted, NDOT estimates increase in alternative fuel and plug-in registration fee when totaled with the reduction in motor fuel tax for these types of motor vehicles will have a minimal impact.

Due to the minimal number of plug-in hybrid vehicles in Nebraska, the Department of Revenue determined the change in the sales tax base would have a minimal impact on the Build Nebraska Act funds which is allocated to the State Highway Capital Improvement Fund for NDOT and the Highway Allocation Fund for cities and counties.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2023

LB⁽¹⁾ 505

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Ethanol Board (Agency 60)

Prepared by: ⁽³⁾ Reid Wagner Date Prepared: ⁽⁴⁾ 01/23/2023 Phone: ⁽⁵⁾ 402-471-2941

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

2023

LB⁽¹⁾ 505

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Metropolitan Utilities District

Prepared by: ⁽³⁾ Rick Kubat Date Prepared: ⁽⁴⁾ 1-23-23 Phone: ⁽⁵⁾ 402-651-6902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	<u>23,500</u>		<u>23,500</u>	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate: THE METROPOLITAN UTILITIES DISTRICT'S (MUD) ANALYSIS OF LB505 IS THAT REGISTRATION FEES FOR COMPRESSED NATURAL GAS (CNG) VEHICLES WILL INCREASE FROM THE CURRENT RATE OF \$75 TO LB505'S RATE OF \$200 WITH A DIFFERENTIAL OF \$125 RATE INCREASE. MUD HAS 188 CNG VEHICLES $\$125 \times 188 = 23,500$

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2023-24	2024-25
	23-24	24-25	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				