

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB50 would set the minimum average wholesale price of gasoline at \$2.44 per gallon, beginning on and after January 1, 2025. This average wholesale price is used on April 1st and October 1st each year in the calculation process of the wholesale gas tax charged per gallon. Additionally, LB50 would set a requirement that the Nebraska Department of Transportation (NDOT) spend at least 35 percent of all wholesale tax proceeds on paying for surface transportation projects, as defined by 39-2702, that have been identified by NDOT to be the highest priority.

Revenues:

The minimum average wholesale price of gasoline, is one component used in the calculation of Nebraska’s gas tax rate per gallon. This average wholesale price of gasoline is calculated twice yearly, on April 1st and October 1st, utilizing the average wholesale prices from the previous six-month period. This price, multiplied by 5%, is used in the setting of the gas tax. Setting the minimum average wholesale price of gasoline at \$2.44 per gallon, would not currently have any effect on the revenues of the Nebraska Department of Transportation. This is due to the fact that the last six months (January – June 2024) average wholesale price was \$2.49 per gallon; and the next six months (July – December 2024) was \$2.66 per gallon. Both of these prices, have been higher than \$2.44 per gallon proposed in LB50. Additionally, the projected future prices in 2025 are both over \$2.44 per gallon. Unless a price drop would occur in the future, where the price would be under this \$2.44 minimum, there would be no increase in revenue to the Highway Cash Fund.

The Nebraska Department of Environment and Energy has indicated no fiscal impact. There is no basis to disagree with this estimation.

NDOT indicates the requirement to spend at least 35% of wholesale tax proceeds on surface transportation projects could jeopardize federal funding.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 50	AM:	AGENCY/POLT. SUB: Nebraska Environment and Energy	
REVIEWED BY: Joe Massey	DATE: 7/30/2024	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Nebraska Environment and Energy’s assessment of no fiscal impact from LB 50			

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

2024

LB⁽¹⁾ 50

FISCAL NOTE

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

Prepared by: ⁽³⁾ Kevin Stoner Date Prepared: ⁽⁴⁾ July 29, 2024 Phone: ⁽⁵⁾ 402 471-2186

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

2024

LB⁽¹⁾ 50

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 7/30/24 Phone: ⁽⁵⁾ 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS	See Below	See Below	See Below	See Below
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 50 changes the calculation of the gasoline tax by setting a statutory floor for the average wholesale price. Starting with the calculation of the tax for periods beginning on and after January 1, 2025, the minimum average wholesale price used in the calculation shall be two dollars and forty-four cents. The bill requires Nebraska Department of Transportation (NDOT) to use at least thirty-five percent of the amount allocated to pay for surface transportation projects, as defined in section 39-2702, of the highest priority as determined by the department.

NDOT uses state revenues to match Federal Aid for construction for expansion, replacement and preservation for highways and bridges. Language of this bill would not allow the use of 35% of the wholesale tax revenues (approximately \$38 million) for asset preservation because of the definitions of surface transportation within 39-2702. If \$38 million of state revenues are not available for asset preservation, such a limitation may put at risk NDOT's ability to match \$152 million of existing Federal aid planned to support \$190 million of construction.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____