

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$146,810	\$295,500	\$59,060	\$349,000
FEDERAL FUNDS				
OTHER FUNDS		\$682,500		\$1,137,500
TOTAL FUNDS	\$146,810	\$978,000	\$59,060	\$1,486,500

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

LB337 provides that ATVs and UTVS be registered pursuant to the Motor Vehicle Registration Act and allowed to be used on highways within Nebraska (with the exception of expressways, freeways, highways which are part of the state’s highway system, interstates, and highways for which local ordinances denies such use). LB337 establishes that ATVS and UTVs would be issued one license plate, after the motor vehicle tax (base tax set at \$25), motor vehicle fee (set at \$5), and registration fee (set at \$3) are paid during registration. Additionally, LB337 establishes seat belt, eye protection, and helmet standards for using ATVs and UTVs. This bill is operative on January 1, 2026.

Expenditures:

The Nebraska Department of Motor Vehicles (DMV) is estimating LB337 would prompt 30,000 more motor vehicles (ATVs and UTVs) to become registered in FY2025-26 and 50,000 more during FY2026-27. If this were to occur, the DMV is estimating they would have additional operating expenses of \$146,810 cash funds in FY2025-26 and \$59,060 cash funds in FY2026-27. Program 70 would require \$2,500 in FY2025-26 and \$21,250 in FY2026-27 for forms and renewal notices. Program 90 would require \$144,310 in FY2025-26 and \$37,810 in FY2026-27 for license plates and decals.

The Nebraska Motor Vehicle Licensing Board (MVLB) has estimated a likely increase in cash fund expenditures, due to an unknown number of new manufacturers and retailers of ATVs and UTVs which would need to be licensed annually by the MVLB if LB337 were to pass. There would likely need to be a cash fund appropriation increase related to any increase in expenditures for this board.

Revenues:

Utilizing DMV estimates of registrations, the DMV is projecting a total revenue increase overall of \$978,000 cash funds in FY2025-26 and \$1,486,500 in FY2026-27. Below is a breakdown of the anticipated revenues:

Fee	Fee	State Revenue FY26	State Revenue FY27	Local Revenue FY26	Local Revenue FY27
Reg Fee, Highway Trust (\$3)	53 1/3% to NDOT. Then the remaining 46.6% is split equally, with 23% going to cities and 23% going to counties.	\$48,000	\$80,000	\$42,000	\$70,000
Plate Fee, Highway Trust (\$4.10)	100% to NDOT’s Highway Trust Fund. Then, annual transfers are made to the DMV License Plate Cash Fund to pay for plate production by Cornhusker State Industries(CSI). Only the actual cost of the plate production can be charged, thus there is no gain to any state agency.	\$123,000	\$81,500	\$0	\$0
MV Tax (base \$25)	1% retained by County Treasurer and 1% to the DMV Vehicle Title and Registration System Replacement and Maintenance Cash Fund. The other 98% is distributed as follows: 22% to county; 60% to local school systems/districts, and 18% to the city or village. There is an exception if the tax district is not in a city or village; then 40% to the county. Also, if the county contains a city of the metropolitan class, then 18% to the county and 22% to the city or village.	\$4,500	\$7,500	\$445,500	\$742,500
MV Fee (base \$5)	1% retained by County Treasurer, then 50% to county, and 50% to the municipality (distributed based on the highway allocation factors).	\$0	\$0	\$150,000	\$250,000
EMS Fund (50¢)	100% to DHHS’s Emergency Medical System Operation Fund.	\$15,000	\$25,000	\$0	\$0
Rec Road Fund (\$1.50)	100% to NDOT’s State Recreation Road Fund.	\$45,000	\$75,000	\$0	\$0
County Gen (\$1.50)	100% to County Treasurers.	\$0	\$0	\$45,000	\$75,000
DMV Cash (\$2.00)	100% to DMV’s Motor Vehicles Cash Fund.	\$60,000	\$100,000	\$0	\$0
Total Revenue		\$295,500	\$349,000	\$682,500	\$1,137,500

The MVILB has estimated a likely increase in cash fund revenues, from an unknown number of new manufacturers and retailers of ATVs and UTVs which would be seeking licenses annually from the MVILB.

NDOT has indicated there would likely be a minimal revenue increase to the Highway Trust Fund (HTF).

The Nebraska Game and Parks Commission (NGPC) has specified that as long as LB337 does not redirect the proceeds of the sales and use taxes from the sale or lease of ATVs and UTVs from the Capital Maintenance Fund, there will be no fiscal impact to the NGPC.

The Nebraska State Patrol (NSP) has indicated no fiscal impact.

There is no basis to disagree with these estimations of fiscal impact by the DMV, MVILB, NDOT, NGPC, nor the NSP.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 337	AM:	AGENCY/POLT. SUB: : Nebraska Game & Park Commission
REVIEWED BY: Joe Massey	DATE: 1/24/2025	PHONE: (402) 471-4181
COMMENTS: Nebraska Game & Park Commission assessment of no net fiscal impact from LB 337 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 337	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Joe Massey	DATE: 1/22/2025	PHONE: (402) 471-4181
COMMENTS: Department of Motor Vehicles assessment of fiscal impact from LB 337 appears reasonable using the assumptions provided.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 337	AM:	AGENCY/POLT. SUB: Motor Vehicle Industry Licensing Board
REVIEWED BY: Joe Massey	DATE: 1/22/2025	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Motor Vehicle Industry Licensing Board assessment of no current fiscal impact from LB 337.		

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2025

LB⁽¹⁾ 337

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 21, 2025 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	<u>146,810</u>	<u>60,000</u>	<u>59,060</u>	<u>100,000</u>
FEDERAL FUNDS				
OTHER FUNDS		<u>918,000</u>		<u>1,386,500</u>
TOTAL FUNDS	<u>146,810</u>	<u>978,000</u>	<u>59,060</u>	<u>1,486,500</u>

Explanation of Estimate:

This legislation will allow for more vehicles to be registered. The department estimates as increase of 30,000 vehicles during FY 2025-26 and 50,000 during FY 2026-27. As a result, the following additional revenues will be realized:

Fee	FY26	FY27
Reg Fee, Highway Trust (\$3)	\$ 90,000	\$150,000
Plate Fee, Highway Trust (\$4.10)	\$123,000	\$61,500
MV Tax (base \$25)	\$450,000	\$750,000
MV Fee (base \$5)	\$150,000	\$250,000
EMS Fund (50¢)	\$15,000	\$25,000
Rec Road Fund (\$1.50)	\$45,000	\$75,000
County Gen (\$1.50)	\$45,000	\$75,000
DMV Cash (\$2.00)	\$60,000	\$100,000

Only the DMV portion of these funds are shown in the Cash Fund, the remaining funds are either Trust Funds, Other State Agency Funds, or County Funds.

Expenditures:

Program 090 – License Plates = \$144,310 for Plates and Decals in FY 2025-26 and \$37,810 in FY 2026-27
 Program 070 – Enforcement of Standards = \$2,500 for forms in FY 2025-26 and \$21,250 in FY 2026-27 for forms and renewal notices.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits				
Operating			<u>146,810</u>	<u>59,060</u>
Travel				
Capital outlay				
Aid				

Capital improvements.....

TOTAL.....

146,810

59,060

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2025

LB⁽¹⁾ 337 – Change ATV & UTV Operation provisions

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Game & Park Commission

Prepared by: ⁽³⁾ Christina Peters Date Prepared: ⁽⁴⁾ January 21, 2025 Phone: ⁽⁵⁾ (402) 471-5403

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	<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 bill would make changes to include All-terrain vehicles (ATV) and utility-type vehicles (UTV) as motorized vehicles. This includes requiring Motor Vehicle, registration and licensing fees, license plates, etc.

This bill also EXCLUDES the proceeds of the sales and use taxes from the sale or lease of ATVs and UTVs from the Highway Trust Fund. These amounts are still directed to the Game and Parks Commission Capital Maintenance Fund (**Sec. 35**, Section 77-27,132 (2)(a)(i)).

As long as the sales and use taxes for ATVs and UTVs continue to go to the Capital Maintenance Fund, there is no fiscal impact to the Agency.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2025

LB⁽¹⁾ 337

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Motor Vehicle Industry Licensing Board

Prepared by: ⁽³⁾ Joshua Eickmeier Date Prepared: ⁽⁴⁾ 1/21/25 Phone: ⁽⁵⁾ 402-471-2148

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</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:

Under LB 337, it appears that All-Terrain Vehicles (ATVs) and Utility-Type Vehicles (UTVs) would now fall under the Motor Vehicle Industry Regulation Act’s definition of a “motor vehicle” (60-1401.25). Therefore, manufacturers and retailers of ATVs and UTVs would need to be licensed annually by our Board. It is unknown as to how many ATV and UTV manufacturers and dealers we could expect to be licensed by our Board so estimating future revenues and expenditures is speculative.

Our Agency is cash funded, so there would not be a General Fund impact, however, if our expenditures were to increase then we would require additional spending authorization in the future.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u> <u>EXPENDITURES</u>	<u>2026-27</u> <u>EXPENDITURES</u>
	<u>25-26</u>	<u>26-27</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2025

LB⁽¹⁾ 337

FISCAL NOTE

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

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 01/26/2025 Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</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>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</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.

2025

LB⁽¹⁾ 337

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 1/22/2025 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</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 337 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, highways that are part of the State Highway System, expressways, freeways, and highways when prohibited by an ordinance adopted by a county, city, or village. The proposed registration fee for an ATV and UTV is three dollars. In addition, one plate will be issued to ATVs and UTVs. The operative date of the bill is January 1, 2026.

The passing of LB 337 is anticipated to have a minimal revenue increase to the State Highway Trust Fund, which is shared by Nebraska Department of Transportation, cities, and counties. The overall fiscal impact is indeterminate due to the unknown number of ATVs and UTVs which will seek registration.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26 EXPENDITURES</u>	<u>2026-27 EXPENDITURES</u>
	<u>25-26</u>	<u>26-27</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				