

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				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB543 updated the vehicle registration and license plate issuance processes. This bill would allow the Department of Motor Vehicles (DMV) to issue multi-year vehicle registrations of two and three years, in addition to the current one-year registration. Also, the DMV could deliver the license plates and registration certificates via the mail or an alternate shipping method. In addition, this bill would adjust the license plate issuance, replacement, and registration renewal fees. The effective date for this legislation is a date on or before January 1, 2029.

LB543 has the potential to affect the timing of revenues received by the state, if registrants choose to register their vehicles for more than one year at a time. Additionally, there would likely be programmatic and other administrative expenditures associated with the implementation of this bill. However, as this bill would not be effective until the 2029 plate issuance cycle, any adjustments to expenditures and revenues would not fall under the FY2025-27 biennium. Agencies would address LB543, in the next budget submission cycle for the FY2027-29 biennium.

The DMV has indicated no fiscal impact during the FY2025-27 biennium, as the effective date for this bill would occur after.

The Nebraska Department of Transportation (NDOT) has indicated the fiscal impact of LB543 is indeterminate at this time, however there would likely be revenue fluctuations to the Highway Trust Fund and the Recreation Road Fund. To account for the fluctuations in revenue to the Highway Trust Fund, NDOT would consider this revenue change during the gas tax rate setting process; with a possible adjustment to the variable rate accordingly. Additionally, the change in revenue to the Highway Trust Fund would also affect the Highway Allocation Fund, which is shared by cities and counties.

The Lancaster County Treasurer has indicated that there would be no fiscal impact during the FY2025-27 biennium. However, beginning with 2029, as the DMV would be allowed to process the online registrations rather than the county, they would be anticipating a significant loss of income to the county at that time.

There is no basis to disagree with these estimations by the DMV, NDOT, nor the Lancaster County Treasurer.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 543	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY: Joe Massey	DATE: 1/28/2025	PHONE: (402) 471-4181	
COMMENTS: Concur with the Department of Motor Vehicles assessment of no fiscal impact from LB 543.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 543	AM: 373	AGENCY/POLT. SUB: Nebraska Department of Transportation
REVIEWED BY: Joe Massey	DATE: 1/30/2025	PHONE: (402) 471-4181
COMMENTS: The Nebraska Department of Transportation assessment of indeterminate fiscal impact from LB 543 appears reasonable, expenditure will also likely be impacted.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 543	AM:	AGENCY/POLT. SUB: Lancaster County Treasurer
REVIEWED BY: Joe Massey	DATE: 1/30/2025	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Lancaster County Treasurer assessment of no current fiscal impact from LB 543.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 543	AM:	AGENCY/POLT. SUB: Lancaster County, Nebraska
REVIEWED BY: Joe Massey	DATE: 1/30/2025	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Lancaster County's assessment of no fiscal impact from LB 543.		

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

2025

LB⁽¹⁾ 543

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 23, 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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The effective date for this legislation is a date on or before January 1, 2029. Therefore, there will be no fiscal impact during the fiscal periods above.

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⁾ 543

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Treasurer

Prepared by: ⁽³⁾ Rachel Garver Date Prepared: ⁽⁴⁾ Jan. 28, 2025 Phone: ⁽⁵⁾ 402-441-7425

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:

For the next two fiscal years there is no financial impact to the county treasurer's office. However, starting January 1, 2029, LB 543 provides for the State Department of Motor Vehicles to start processing the online registrations rather than the county. This will result in a significant loss of income to the county. For example, in 2024, one-third of all registration renewals were completed online. The Lancaster County Treasurer's Office took in \$532,147.61 in registration fees, one-third of which is \$175,608.71. The online registration option is increasing in popularity and will likely be closer to 40–50% of the total registration renewals for Lancaster County. This would be a significant loss in revenue for the County starting in 2029.

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.....	_____	_____	_____	_____

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

2025

LB⁽¹⁾ 543

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County, Nebraska

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1/29/2025 Phone: ⁽⁵⁾ 402-441-6869

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:

LB543 proposes changes to Nebraska’s vehicle registration and license plate issuance process, including:

- Allowing the DMV to deliver license plates and registration certificates via mail or alternative shipping methods.
- Introducing multi-year vehicle registration renewal options (one, two, or three years).
- Adjusting fees related to license plate issuance, replacement, and registration renewal.

LB543 updates the registration process without imposing additional costs on Lancaster County. There is no fiscal impact for Lancaster County.

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⁾ 543

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 1/28/25 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	_____	See below	_____	See below
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	See below	_____	See below
TOTAL FUNDS	=====	See below	=====	See below

Explanation of Estimate:

LB543 would allow a person to opt to register for an annual period or a multiyear period of two or three years beginning on an implementation date designated by the director on or before January 1, 2029. At the time of registration all fees provided in sections 60-3,141 and 60-3,156 would be paid. In addition, beginning with the 2029 license plate issuance cycle, all fees collected under Neb. Rev. Stat. § 60-3,102 will be credited to the License Plate Cash Fund instead of to the Highway Trust Fund.

The fiscal impact of a multiyear registration is indeterminate due to the unknown implementation date to be designated by the Director of the Department of Motor Vehicles (DMV) and the unknown number of persons who may seek a multiyear registration. If enacted, revenue fluctuations to the Highway Trust Fund and Recreation Road Fund may occur from year to year due to the multiyear registration. To account for the fluctuations in revenue to the Highway Trust Fund the Nebraska Department of Transportation (NDOT) would consider the change in revenue to the Highway Trust fund during the motor fuels tax setting and adjust the variable rate accordingly to generate revenue based on the Highway Cash Fund appropriation set by the Legislature. The change in revenue to the Highway Trust Fund also affects the Highway Allocation Fund, which is shared by cities and counties. For the Recreation Road Fund, letting of projects could be impacted due to possible fluctuation in revenue to cover expenditures.

It is assumed for purposes of this fiscal note the DMV will have fully implemented print on demand license plates and decals prior to the 2029 license plate issuance cycle resulting in no transfer of funds from the Highway Trust Fund to cover the license plate and decal production. As a result, shifting the credit of the license plate fees collected to the License Plate Cash Fund is determined to have minimal impact to NDOT, cities, and counties which share the Highway Trust Fund revenues.

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.....	_____	_____	_____	_____