

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	\$134,542	\$32,117	\$134,106	\$14,233
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$134,542	\$32,117	\$134,106	\$14,233

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

LB563 would amend the Nebraska Motor Vehicle Registration Act to allow beginning on January 1, 2026, for an individual or a business which sells agricultural fertilizer or agricultural chemicals the option of registering for a permanent trailer license plates for commercial fertilizer trailers, with a \$1 fee.

Expenditures:

The Nebraska Department of Motor Vehicles (DMV) is anticipating expenditures in Program 70 as follows: the need to hire one new FTE Administrative Technician with total salary and benefits of \$51,592 cash funds in FY2025-26 and \$53,656 cash funds in FY2026-27 (PSL of \$38,216 in FY2025-26 and \$39,745 in FY2026-27); plus, operating expenses for office supplies, equipment, and plate mailing postage of \$82,950 cash funds in FY2025-26 and \$80,450 cash funds in FY2026-27. Then, in Program 90, the DMV has estimated an additional 10,000 plates will need to be produced each fiscal year at a cost of \$3.87 each, which equates to \$38,700 cash funds in both fiscal years. The total expected expenses to the DMV would be \$134,542 in FY2025-26 and \$134,106 in FY2026-27. The DMV has also noted minimal programmatic costs which can be absorbed.

Revenues:

The DMV is estimating revenues in Program 70 of \$50,000 in both FY2025-26 and FY2026-27 in cash funds to the Highway Trust Fund for plate fees and postage and handling, which will eventually be transferred back to the DMV to pay for these exact costs incurred (\$40,000 for plate manufacturing and \$10,000 for postage and handling). There would be a loss of revenue for the Vehicle Title and Registration System (only county treasurers may collect motor vehicle tax) (\$550). Counties, Schools, Cities MV Tax (\$54,450), Motor Vehicle Fee Fund (\$70,000) and County General Fund (\$7,500); all in FY2025-26.

Then in FY2026-27, the DMV would anticipate revenues in Program 70 of \$50,000 in FY2026-27 in cash funds to the Highway Trust Fund for plate fees and postage and handling. With Vehicle Title and Registration System Replacement Fund (\$1,100), Counties, Schools, Cities MV Tax (\$108,900), MV Fee Fund (\$140,000), County General Fund (\$15,000) in FY2026-27.

Revenue losses to political subdivisions are not reflected in the table on page 1 but are shown in the table on page 2, which shows total fiscal impact due to the changes in the bill.

Technical Note- As the bill is written, the DMV is unable to collect many of the fees/taxes as it is currently in statute that only the County Treasurers can collect these. Hence, there are many revenue losses shown on the following page in the table.

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.	\$ 2,667	\$ 5,333	\$ 2,333	\$ 4,667
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.	\$ 40,000	\$ 40,000	\$ -	\$ -
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.	\$ 10,000	\$ 10,000	\$ -	\$ -
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.	\$ (550)	\$ (1,100)	\$ (54,450)	\$ (108,900)
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).	\$ -	\$ -	\$ (70,000)	\$ (140,000)
EMS Fund (50¢)	100% to DHHS's Emergency Medical System Operation Fund.	\$ (2,500)	\$ (5,000)	\$ -	\$ -
Rec Road Fund (\$1.50)	100% to NDOT's State Recreation Road Fund.	\$ (7,500)	\$ (15,000)	\$ -	\$ -
County Gen (\$1.50)	100% to County Treasurers.	\$ -	\$ -	\$ (7,500)	\$ (15,000)
DMV Cash (\$2.00)	100% to DMV's Motor Vehicles Cash Fund.	\$ (10,000)	\$ (20,000)	\$ -	\$ -
Total Revenue		\$ 32,117	\$ 14,233	\$ (129,617)	\$ (259,233)

The Nebraska Department of Transportation (NDOT) and the Nebraska Department of Agriculture (NDA) have both indicated no fiscal impact.

There is no basis to disagree with these estimations of fiscal impact by the DMV nor the NDA.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 563	AM:	AGENCY/POLT. SUB: Nebraska Department of Agriculture	
REVIEWED BY: Joe Massey	DATE: 1/28/2025	PHONE: (402) 471-4181	
COMMENTS: Concur with the Nebraska Department of Agriculture assessment of no fiscal impact from LB 563.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 563	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY: Joe Massey	DATE: 1/30/2025	PHONE: (402) 471-4181	
COMMENTS: Department of Motor Vehicles assessment of fiscal impact from LB 563 appears reasonable using the assumptions provided.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 563	AM:	AGENCY/POLT. SUB: : Nebraska Department of Transportation	
REVIEWED BY: Joe Massey	DATE: 1/30/2025	PHONE: (402) 471-4181	
COMMENTS: Nebraska Department of Transportation's assessment of no net fiscal impact from LB 563 appears reasonable.			

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2025

LB⁽¹⁾ 563

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 28, 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>134,542</u>	<u>39,450</u>	<u>134,106</u>	<u>38,900</u>
FEDERAL FUNDS				
OTHER FUNDS		<u>(121,950)</u>		<u>(253,900)</u>
TOTAL FUNDS	<u><u>134,542</u></u>	<u><u>(82,500)</u></u>	<u><u>134,106</u></u>	<u><u>(215,000)</u></u>

Explanation of Estimate:

Program 07 Enforcement of Standards – FY 2025-26 Revenue for Postage and Handling \$40,000 and plate fees \$10,000 (Highway Trust) for total of \$50,000, there will also be Vehicle Title and Registration System (only county treasurers may collect motor vehicle tax) (\$550). Counties, Schools, Cities MV Tax (\$54,450), Motor Vehicle Fee Fund (\$70,000) and County General Fund (\$7,500). FY 2025-26 Expenses will include 1.00 FTE Administrative Technician position and include one time first fiscal year office equipment, plus annual costs per FTE as charged by the OCIO and office supplies, and \$40,000 for postage to mail the plates. FY2026-27 Revenue for Postage, Handling and Renewals (Highway Trust) \$50,000, Vehicle Title and Registration System Replacement Fund (\$1,100), Counties, Schools, Cities MV Tax (\$108,900), MV Fee Fund (\$140,000), County General Fund (\$15,000). FY 2026-27 Expenses will be a continuation of the Administrative Technician.

There will also be limited programming changes that will be absorbed within existing appropriations.

Program 090 License Plates – An additional 10,000 plates will need to be produced each fiscal year at a cost to the Department of \$3.87 each, for a total of \$38,700.

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>
Administrative Technician	<u>1.00</u>	<u>1.00</u>	<u>38,216</u>	<u>39,745</u>
Benefits.....			<u>13,376</u>	<u>13,911</u>
Operating.....			<u>82,950</u>	<u>80,450</u>
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u><u>134,542</u></u>	<u><u>134,106</u></u>

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2025

LB⁽¹⁾ 563

FISCAL NOTE

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

Prepared by: ⁽³⁾ Ashley Dempsey Date Prepared: ⁽⁴⁾ 1/27/2025 Phone: ⁽⁵⁾ 402-429-2487

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.....	_____	_____	_____	_____

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2025

LB⁽¹⁾ 563

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 1/28/2025 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:

LB563 would provide an option for a permanent trailer license plate for commercial fertilizer trailer owners beginning January 1, 2026, in lieu of a fertilizer trailer license plate under section 60-3,151. A one dollar fee will be assessed when the trailer is initially registered and during each license period after the plate is initially issued.

No fiscal impact is anticipated to the Department of Transportation.

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.....	_____	_____	_____	_____