

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	\$147,010	\$407,500	\$59,260	\$535,667
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$147,010	\$407,500	\$59,260	\$535,667

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

LB690 provides all-terrain vehicles (ATVs) and utility-type vehicles (UTVs) be registered pursuant to the Motor Vehicle Registration Act and allowed to be used on county roads and township roads outside the corporate limits of a city or a village, plus highways within Nebraska (with the exception of highways for which local ordinances denies such use, along with expressways, freeways, highways which are part of the state's highway system, and interstates. This bill would modify Nebraska statute by establishing that ATVs/UTVs would be issued one license plate, after paying: a \$10 registration fee, \$25 motor vehicle base tax, and a \$10 motor vehicle fee. LB690 would update the definitions of ATVs/UTVS in multiple statutes and amend the width, length, and weight provisions for both ATVs and UTVs. Additionally, this bill would update the licensing requirements allowing ATVs /UTVs to be used for towing various trailers. Finally, the bill states that safety belts are not required to be used with ATVs/UTVs and that ATVs/UTVs are allowed to use tires which have not been designed or manufactured for highway use.

LB690 has an operative date of 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 Board of Educational Lands and Funds (BELF) is estimating an increase in operating costs for additional registration fees and motor vehicle fees for 10 ATVs which are owned by the Board, totaling increased cash fund expenditures of \$200 in FY2025-26 and \$200 in FY2026-27.

The Nebraska Motor Vehicle Licensing Board (MVILB) 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 MVILB if LB690 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 \$1,188,000 cash funds in FY2025-26 and \$1,836,500 in FY2026-27.

A breakdown of the anticipated revenues is shown on the next page:

Fee	Fee	State Revenue FY26	Local Revenue FY26	State Revenue FY27	Local Revenue FY27
Reg Fee (set at \$10 for ATVs/UTVs) Highway Trust	53 1/3% to NDOT. Then the remaining 46.6% is split equally, with 23% going to cities and 23% going to counties.	\$160,000	\$140,000	\$266,667	\$233,333
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 Comhusker 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	\$0	\$61,500	\$0
MV Tax (base tax of \$25 for ATVs/UTVs)	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	\$445,500	\$7,500	\$742,500
MV Fee (base tax of \$5 for ATVs/UTVs)	1% retained by County Treasurer, then 50% to county, and 50% to the municipality (distributed based on the highway allocation factors).	\$0	\$150,000	\$0	\$250,000
EMS Fund (50¢)	100% to DHHS's Emergency Medical System Operation Fund.	\$15,000	\$0	\$25,000	\$0
Rec Road Fund (\$1.50)	100% to NDOT's State Recreation Road Fund.	\$45,000	\$0	\$75,000	\$0
County Gen (\$1.50)	100% to County Treasurers.	\$0	\$45,000	\$0	\$75,000
DMV Cash (\$2.00)	100% to DMV's Motor Vehicles Cash Fund.	\$60,000	\$0	\$100,000	\$0
Total Revenue		\$407,500	\$780,500	\$535,667	\$1,300,833

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.

The Nebraska Game and Parks Commission (NGPC) has specified that as long as LB690 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.

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

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 690	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 690 appears reasonable using the assumptions provided.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 690	AM:	AGENCY/POLT. SUB: Board of Educational Lands and Funds	
REVIEWED BY: Joe Massey		DATE: 1/31/2025	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Board of Educational Lands and Funds assessment of fiscal impact from LB 690			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 690	AM:	AGENCY/POLT. SUB: : Nebraska Game & Park Commission	
REVIEWED BY: Joe Massey		DATE: 2/28/2025	PHONE: (402) 471-4181
COMMENTS: Nebraska Game & Park Commission's assessment of no net fiscal impact from LB690 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 690	AM:	AGENCY/POLT. SUB: Motor Vehicle Industry Licensing Board	
REVIEWED BY: Joe Massey		DATE: 1/30/2025	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Motor Vehicle Industry Licensing Board assessment of no fiscal impact from LB 690			

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

2025

LB⁽¹⁾ 690

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 27, 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>1,128,000</u>		<u>1,736,500</u>
TOTAL FUNDS	<u>146,810</u>	<u>1,188,000</u>	<u>59,060</u>	<u>1,836,500</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 (\$10)	\$ 300,000	\$500,000
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

State Agency OR Political Subdivision Name: ⁽²⁾ Board of Educational Lands and Funds

Prepared by: ⁽³⁾ Kelly Jo Lambert

Date Prepared: ⁽⁴⁾ 01/30/25

Phone: ⁽⁵⁾ 402-471-2014

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$200.00		\$200.00	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:
The Board of Educational Lands and Funds estimates an increase in operating cost for registration fees and motor vehicle fees for the ten all-terrain vehicles the Board owns, if LB690 is adopted.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			\$200.00	\$200.00
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

2025

FISCAL NOTE

Prepared by: (3) Christina Peters Date Prepared: (4) February 27, 2025 Phone: (5) (402) 471-5403

FY 2025-26**FY 2026-27**

EXPENDITURES

REVENUE

EXPENDITURES

REVENUE

GENERAL FUNDS

CASH FUNDS

FEDERAL FUNDS

OTHER FUNDS

TOTAL FUNDS

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. Limitations are also recommended for those able to operate the vehicles, based on age and licensure.

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:

NUMBER OF POSITIONS

2025-26

2026-27

POSITION TITLE

25-26

26-27

EXPENDITURES

EXPENDITURES

Benefits.....

Operating.....

Travel.....

Capital outlay.....

Aid.....

Capital improvements.....

TOTAL.....

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

Prepared by: ⁽³⁾ Joshua Eickmeier

Date Prepared: ⁽⁴⁾ 1/27/25

Phone: ⁽⁵⁾ 402-471-2148

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Under LB 690, 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 retailers 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:

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