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PREPARED BY: Sandy Sostad
DATE PREPARED: January 25, 2011
PHONE: 471-0054

LB 327

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$31,500	\$1,613,000		\$3,872,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$31,500	\$1,613,000		\$3,872,000

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 327 provides for an additional motor vehicle fee of \$10 to be imposed on every motor vehicle that is 14 years of age or older. The proceeds from the \$10 fee are to be deposited in the Highway Trust Fund. The bill is operative on January 1, 2012.

Data from the Vehicle Titling and Registration System (VTR) maintained by the Department of Motor Vehicles (DMV) indicates there were about 726,000 vehicles registered in 2010 that will be 14 years of age or older in 2011. Assuming this is an average number for FY2011-12 and FY2012-13, the fee will generate increased annual revenue for the Highway Trust Fund of \$7,260,000. The revenue for FY2011-12 will be \$3,025,000 based on the implementation date of the bill.

The Highway Trust Fund is allocated as follows: 53 1/3% to the Department of Roads Cash Fund, 23 1/3% to cities, and 23 1/3% to counties. So, the annual fiscal impact of the bill is estimated to be \$3,872,000 for the DOR Cash Fund, \$1,694,000 for cities and \$1,694,000 for counties.

DMV indicates there will be one-time computer programming expenses to add the \$10 fee to the calculation of the the amount required to register a vehicle that is over 14 years old. The estimated cost to modify the VTR System is \$31,500 of cash funds in FY2011-12.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David J. Spatz	DATE	1/26/11	PHONE	471-4179
COMMENTS					
NEBRASKA DEPARTMENT OF MOTOR VEHICLES: Concur with Department of Motor Vehicles' analysis and estimate of increased revenue and expenditures fiscal impact.					
DEPARTMENT OF ROADS: Concur with Department of Roads' analysis and estimate of increased cash fund revenue fiscal impact.					

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LB 327 FISCAL NOTE

NEBRASKA DEPARTMENT OF MOTOR VEHICLES LEGISLATIVE FISCAL

Prepared by: Gary Ryken

Date Prepared: 26-Jan-11

Phone: 471-3902

Fax: 471-9594

Email: gary.ryken@nebraska.gov

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2011-2012		FY 2012-2013	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$ 31,500			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$ 31,500	\$ -	\$ -	\$ -

Explanation of Estimate:

LB 327 provides for an additional \$10 fee be imposed upon every motor vehicle 14 years or older. The number of registered vehicles over 14 years old are listed below:

Trailers	146,416
Semitrailers	3,352
Passenger	468,466
Trucks w/GVWR >7 tons and Buses	72,657
RVs and Cabin Trailers	20,657
Motorcycles	14,528
Totals	726,076

The additional fee would result in an increase to the Highway Trust Fund of estimated \$7,260,760 annually.

LB 327 adds an additional fee to the current registration calculations for vehicles voer 14 years old which will require modifications to the vehicle title and registration (VTR) system. The modifications are estimated to take 420 hours of programming at \$75/hr for a total expense of \$31,500.

POSITION TITLE	MAJOR OBJECTS OF EXPENDITURE		2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
	NUMBER OF POSITIONS			
	11-12	12-13		
Benefits				
Operating			\$ 31,500	
Travel				
Capital Outlay				
Aid				
Capital Improvements				
Total			\$ 31,500	\$ -

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FISCAL NOTE LB327
Department of Roads

LEGISLATIVE FISCAL

Prepared By: Hayes, Marilyn
Date Prepared: 1/19/2011
Prepared Phone: 402-479-4692

Estimate Provided By State Agency or Political Subdivision

Table with columns for FY 2011-2012 (Expenditures, Revenue) and FY 2012-2013 (Expenditures, Revenue). Rows include General Funds, Cash Funds, Federal Funds, Other Funds, and Total Funds.

Explanation of Estimate:

LB 327 changes the motor vehicle fee schedule, imposing an additional fee of \$10 on every motor vehicle that is 14 or more years old. The revenue from this fee is to be credited to the Highway Trust Fund.

Fiscal impact is as follows:

726,000 Motor vehicles 14 or more years old

x \$10 Fee

= \$7,260,000 Additional Revenue to the Highway Trust Fund

* .53 1/3 NDOR Share (46 2/3% to the cities and counties)

= \$3,872,000 Additional Revenue to the Department of Roads.

With an effective date of January 1, 2012, the FY-12 fiscal impact is 5/12th.

NOTE: If the intent of this legislation is to make additional funds available for highway construction, this would require an increase in the Highway Cash Fund Appropriation by the same amount of funds.

Major Objects of Expenditure

Table with columns for Position Title, Number of Positions (FY 2011-2012, FY 2012-2013), FY 2011-2012 Expenditures, and FY 2012-2013 Expenditures. Rows list Benefits, Operating, Travel, Capital outlay, Aid, Capital improvements, and Total.