

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|-------------------|---------|-------------------|--|
| | FY 2021-22 | | FY 2022-23 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | (\$3,691,000) |
| CASH FUNDS | | | | SHCIF – (\$149,000) GPCMF - \$3,866,000 |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | | See below |

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

Under current statute, for transactions occurring between October 1, 2014 and October 1, 2022, the Game and Parks Commission Capital Maintenance Fund (GPCMF) receives all sales and use tax proceeds imposed on the sales or lease of motorboats, personal watercraft, all-terrain vehicles and utility type vehicles.

Under LB350, the sunset date for this provision would be extended to October 1, 2027. Extending the sunset date would continue the diversion of revenue. In the absence of the extension, the General Fund, State Highway Capital Improvement Fund (SCHIF), and Highway Allocation Fund (HAF) would see revenue increases. The fiscal note provided by the Department of Revenue details the amounts each fund would see as an increase in revenue in the absence of the sunset date extension, as follows:

| | General Fund | State Highway Capital Improvement Fund | Highway Allocation Fund | Total |
|------|--------------|--|-------------------------|-------------|
| FY23 | \$3,691,000 | \$149,000 | \$26,000 | \$3,866,000 |
| FY24 | \$4,927,000 | \$199,000 | \$36,000 | \$5,162,000 |
| FY25 | \$5,051,000 | \$204,000 | \$36,000 | \$5,291,000 |
| FY26 | \$5,178,000 | \$210,000 | \$37,000 | \$5,425,000 |

The continuation in revenue flowing to the GPCMF would mirror the total revenue listed in the chart above.

Note: The Build Nebraska Act (2011) established that the one-quarter (1/4) of one percent (1%) of the sales and use taxes be credited to the SHCIF (85%) and to the HAF (15%). The HAF revenue is split 50/50 between counties and cities. In FY20, the revenue from the Build Nebraska Act totaled \$87.9 million.

The Game and Parks Commission also provided a fiscal note estimating revenue increases that would flow to the GPCMF.

| | | |
|--|---------------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
| LB: 350 | AM: | AGENCY/POLT. SUB: Nebraska Game and Parks Commission |
| REVIEWED BY: Claire Oglesby | DATE: 2/12/21 | PHONE: (402) 471-4174 |
| COMMENTS: Nebraska Game and Parks Commission's statement appears reasonable based on the assumptions provided. | | |

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

2021

LB⁽¹⁾ 350 Capital Maintenance Fund Extension

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Game and Parks Commission

Prepared by: ⁽³⁾ Patrick H. Cole Date Prepared: ⁽⁴⁾ 1/13/2021 Phone: ⁽⁵⁾ (402)-471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2021-22</u> | | <u>FY 2022-23</u> | |
|---------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | \$2,220,000 |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | \$2,220,000 |

Explanation of Estimate:

The proposed legislation would extend the current sunset date of October 1, 2022 to October 1, 2027 for sales tax receipts currently designated for deposit in the Capital Maintenance Fund. This would add another 5 years worth of revenues to the fund. The average annual receipts deposited into the fund over the past 5 fiscal years is \$4,424,113 (high \$4.68M, low \$4.21). While the current FY revenues are up, it is likely an anomaly tied to the pandemic similar to the increase in permit sales experienced, so may likely be short lived. That said, an average of \$4.5 million will be used to estimate the annual fiscal impact of the 5-year extension (\$22.5 million over the 5 years).

It should be noted that an October 1 end date provides for revenues through December due to a 2-month lag in collection, submission and crediting to the Capital Maintenance Fund. The first effect of the extension would be realized in FY 22-23, increasing the current estimated receipts at \$3.28 million to the full FY estimate of \$4.5 for an increase in \$2.22 million as indicated above. The grand total for the extended period would be estimated at \$22.5 million.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2021-22</u> | <u>2022-23</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>21-22</u> | <u>22-23</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | _____ | _____ | _____ | _____ |

