

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$267,750			(\$64,000)
FEDERAL FUNDS				
OTHER FUNDS		\$387,200		\$323,200
TOTAL FUNDS	\$267,750	\$387,200		\$259,200

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

LB728 would amend sections 60-301, 60-302, 60-3,104, and 60-3,151 of the Motor Vehicle Registration Act to compel the Nebraska Department of Motor Vehicles to offer boat trailer license plates. These boat trailer license plates would be restricted to trailers which exclusively are used for hauling boats. The boat trailer license plates would cost a \$10 fee and be valid for 3 years. The words “boat trailer” would be exhibited on the license plate along with the registration number. LB728 would be operative on January 1, 2024.

Expenditures:

The Nebraska Department of Motor Vehicles (NDMV) has indicated there would be an increase in expenditures for FY2023-24, to issue new boat trailer license plates and distribute them to all 93 counties.

Revenues:

The NDMV has provided revenue estimates based on 64,000 boat trailer registrations yearly. Currently trailers are registered every year. However, LB728 would require licensing only once every three years, beginning mid-fiscal year, January 1, 2024. Hence, the NDMV is estimating a revenue increase in Other Funds to the Highway Trust Fund for boat trailer registration and plating fees in FY2023-24.

Then, in FY2024-25, NDMV is approximating an estimated revenue loss of Cash Funds from the DMV for funds not collected, due to the time between registrations extending from one to three years. The amount shown above represents only half of a year impact, as LB728 would take effect in the middle of the state fiscal year.

For two fiscal years starting with FY2024-25, NDMV estimates registration revenues will show a loss of (\$64,000) each fiscal year. Then, a revenue loss of (\$128,000) for the third fiscal year, of every three fiscal year cycle. This results a net revenue loss of (\$256,000) over the entire three fiscal year cycle.

The NDMV has indicated there would be an additional loss of revenue for the Emergency Medical Services Fund in FY2024-25 of (\$16,000) and the Recreation Road Fund in FY2024-25 of (\$48,000). This revenue loss will continue in the same percentages as noted for the DMV share of the registration fees on a fiscal year basis.

Registration fees allocated to the Highway Trust will decrease for two fiscal years by (\$192,000) each fiscal year; and will increase every third fiscal year by \$192,000 due to the allocation of the fees collected being set at \$10 per boat trailer registration versus the current \$6. The net revenue loss to the Highway Trust will be (\$192,000) over the three fiscal year cycle, based on NDMV’s estimate.

In addition, the NDMV has estimated LB728 would cause a loss of revenue for the County General Fund for all 93 counties in the state. At \$1.50 per registration, the revenue loss would mirror the Recreation Road fund loss above.

There is no basis to disagree with the NDMV’s estimate.

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**2023**

**LB<sup>(1)</sup> 728**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Motor Vehicles

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**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	267,750	_____	_____	(64,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	387,200	_____	323,200
TOTAL FUNDS	<u>267,750</u>	<u>387,200</u>	<u>_____</u>	<u>259,200</u>

**Explanation of Estimate:**

The increase in expenditures will be to Program 090 – License Plates. To issue new plates for existing boat trailers at \$3.57 per plate, we would need to supply these plates to all 93 counties.

Revenue calculations are based on 64,000 boat trailer registrations per year.

The revenue increase in Other Funds as noted will be to the Highway Trust Fund for the collection of registration and plate fees from boat trailer owners. The revenue loss of Cash Funds will be from the DMV for funds not collected as registrations will be required every three years instead of every year. The amount shown above represents only half of a year impact.

On a fiscal year basis, DMV registration revenues will show a loss of \$64,000 for two fiscal years and \$128,000 for the third fiscal year in every three-year cycle. This results a net revenue loss of \$256,000 over the three fiscal year cycle.

On a calendar year basis, DMV registration revenues will show a loss of \$128,000 for two years; and be revenue neutral during the third. This results a net revenue loss of \$256,000 over the three fiscal year cycle.

There will be additional loss in revenue for the Emergency Medical Services Fund (FY25 \$16,000) and the Recreation Road Fund (FY 25 \$48,000). This revenue loss will continue in the same percentages as noted for the DMV share of the registration fees on a fiscal year basis.

Registration fees allocated to the Highway Trust will decrease for two fiscal years by \$192,000 each fiscal year; and will increase every third fiscal year by \$192,000 due to the allocation of the fees collected at \$10 per boat trailer registration compared to the current \$6. The net revenue loss to the Highway Trust will be \$192,000 over the three fiscal year cycle.

This legislation will cause a loss of revenue for the County General Fund for all 93 counties in the state. At \$1.50 per registration, revenue reductions will be the same as the Recreation Road fund indicated above.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Benefits.....				
Operating.....			267,750	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			267,750	