

Updated to reflect amendment adoption.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(682,475)		(682,475)
CASH FUNDS	see below	see below	see below	see below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	see below	see below	see below	see below

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

The provisions from bill (as amended) with a fiscal impact are discussed below.

- The Department of Motor Vehicles (DMV) is authorized to recoup the cost of postage and handling when Historical or Choose Life license plates and a registration certificate is mailed by Cornhusker State Industries directly to an individual instead of by a county. The DMV would charge a fee in an amount that is not more than necessary to recover costs. The recovered costs are to be credited to the DMV Cash Fund (DMVCF).

The DMV estimates an increase in cash fund expenditures for postage and handling in the amount of \$11,250, an identical increase in cash fund revenues is also estimated.

- The DMV is authorized to charge up to a \$4.25 per plate issuance fee. Current statute caps this amount at \$3.50. These fees are remitted to the Highway Trust Fund where annual transfers are made to the License Plate Cash Fund (DMV administered) in amounts authorized by the Legislature to pay for plate production. As the DMV is statutorily prohibited from charging a fee in excess of actual production costs, the fiscal impact is estimated to be offsetting over the long-term. Please see the DOT fiscal note for additional details.
- The DMV is provided the authority to issue a previously salvaged certificate of title for vehicles which has been inspected under 60-146.

The DMV estimates a reduction in the number of titles requested each year in the amount of 10,000. The current title fee is \$10, this equates to a revenue reduction in the amount of \$100,000 each year. Title fees are remitted to the DMVCF, the General Fund, The Motor Vehicle Fraud Cash Fund (MVFCF), the Nebraska State Patrol Cash Fund (NSPCF) and the Motor Vehicle Industry Licensing Fund (MVILF). The chart below provides an estimated revenue reduction for each fund type.

Fee Distribution	Revenue Loss
County General Fund	\$32,500
DMVCF	\$40,000
General Fund	\$20,000
MVILF	\$1,000
NSPCF	\$4,500
MVFCF*	\$2,000

(continued)

4. The timeframe for which an LPE-Learner's Permit is valid is changed from 3 to 6 months.

Fees for the LPE-Learner's Permit (total \$12.50) are remitted to the DMVCF Cash Fund, the General Fund, and County General Fund(s). The DMV estimates a reduction of 900 LPE-Learner's Permit renewals per year. The chart below provides an estimated revenue reduction for each fund type.

Fee Distribution	Revenue Loss
County General Fund	\$225
DMVCF**	\$8,550
General Fund	\$2,475

5. Beginning July 1, 2022, the distribution of the fee for a state identification card and class O or M operator's license that is valid for 5 years. The total fee will remain unchanged at \$24. The change in fee distribution is shown below.

Fee Distribution	Current Law	Under LB750	Revenue Change
County General Fund	\$3.50	\$3.50	-
DMV Cash Fund	\$10.25	\$13.25	\$660,00
General Fund	\$10.25	\$7.25	(\$660,000)

The Department of Motor Vehicles (DMV) estimates 220,000 5-year documents will be issued which would result in a **General Fund revenue decrease of \$660,000 each fiscal year**. The DMV Cash Fund would see an increase in revenue equal to the General Fund revenue decrease. Additionally, due to the requirements outlined under number 6 (below) the DMV estimates it will collect a portion of fees in Lancaster County that would normally go to the County General Fund due to opening a new service center. This amount is estimated to be \$140,000 each fiscal year, the County General Fund would see a revenue decrease equal to this amount. There is no basis to disagree with the DMV estimates.

6. The DMV would be required to open an additional operator's licensing service center. The DMV estimates the costs associated with operating this service center to be \$793,088 in FY23 and \$850,000 in FY24. Costs include rent, salaries, and benefits as well as one-time costs for items such as furniture, security, and cash register, and a safe. A basis to disagree is absent.

As the Department of Administrative Services (DAS) – Building Division would hold the lease for the new service center and the DMV would essentially be a sub-lessee, DAS will see increased Revolving Fund expenditures associated with paying the lease. These amounts are estimated to be between \$375,000 and \$409,000 (partial year) in FY23 and \$690,704 to \$750,000 in FY24. The differences in rent expenditure estimates are due to differing estimates by the DMV and DAS as well as an inability by DAS to project due to variances in commercial leasing costs at current service center locations.

7. The Department of Transportation (DOT) would assume responsibility when damage to an approach is due to an extreme weather event or faulty engineering. Further, highway approaches would also be required to be assessed by the department under its current sufficiency rating system, if practicable. Under current statutory interpretation, counties are responsible for highway approaches. Finally, the DOT is authorized to seek reimbursement from responsible parties in the event of faulty engineering that is related to the damage.

The DOT expects there to be additional expenses attributable to the additional responsibilities, however they expenses are able to be absorbed within existing resources.

The Nebraska Association of County Officials (NACO) provided a fiscal note for LB913 which remains valid and is incorporated by this reference. Said fiscal note indicated there is a possibility of reduced costs to counties in the event of an extreme weather condition or faulty engineering. NACO indicates the fiscal impact is indeterminate due to the inability to predict extreme weather events.

A basis to disagree with the DOT or NACO is absent.

8. The birth year on any accident report completed pursuant to 60-699 would be come a public record.

These accident reports are compiled by the Department of Transportation. The Department of Transportation indicates they may incur costs related to modification of the database which stores the reports to allow for the data of birth to be viewable but that the costs are able to be absorbed within existing resources

The Public Service Commission provided a fiscal note indicating no fiscal impact. The Department of Administrative Services provided a fiscal note which provides estimates that are discussed under number 6 (above).

**The DMV fiscal note refers to this cash fund as the "AG Consumer Protection Fund".*

***DMV estimates break out the security surcharge (\$4.50 per document), this surcharge is remitted to the DMVCF. As such, the total revenue loss for the surcharge is reflected in the DMVCF total.*

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 750	AM: 1966,1967,2067,2085,2294	AGENCY/POLT. SUB: Department of Motor Vehicles
REVIEWED BY: Patrick Redmond	DATE: 2/25/2022	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Motor Vehicles assessment of fiscal impact from LB 750 as amended by AM 1966,1967,2067,2085, & 2294.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 750	AM: 1966,1967,2067,2085,2294	AGENCY/POLT. SUB: Department of Transportation
REVIEWED BY: Patrick Redmond	DATE: 2/25/2022	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Transportation assessment of fiscal impact from LB 750 as amended by AM 1966,1967,2067,2085, & 2294.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 750	AM: 1966, 1967, 2067, 2085, 2294	AGENCY/POLT. SUB: Nebraska Public Service Commission
REVIEWED BY: Patrick Redmond	DATE: 3/16/2022	PHONE: (402) 471-4181
COMMENTS: No Basis to disagree with the Nebraska Public Service Commission assessment of no fiscal impact from LB 750 as amended by AM1966, AM1967, AM2067, AM2085, and AM2294.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 750 Services	AM: 1966,1967,2067,2085,2294	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Patrick Redmond	DATE: 3/28/2022	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Department of Administrative Services assessment of fiscal impact from LB 750 as amended by AM 1966,1967,2067,2085, & 2294.		

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

2022

LB⁽¹⁾ 750 AM1966, AM1967, AM2067, AM2085, AM2294

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ February25, 2022 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		(682,475)		(682,475)
CASH FUNDS	793,088	749,800	850,000	805,200
FEDERAL FUNDS				
OTHER FUNDS		(32,725)		(32,725)
TOTAL FUNDS	<u>793,088</u>	<u>34,600</u>	<u>850,000</u>	<u>90,000</u>

Explanation of Estimate:

The cost of postage to mail Historical and Choose Life plates will be revenue neutral. Revenue and expense estimates are \$4.50 per set of plates as outlined in LB 113 from 2021. Based on 2,500 set of these plates there will be \$11,250 in additional revenue and expenditures each year to the DMV Cash Fund.

This legislation will reduce the number of titles requested by 10,000 per year due to a reduction in the number of titles issued with a salvage brand. At \$10.00 each equals \$100,000. The annual revenue loss would be as follows:

County General Funds	\$32,500
State General Fund	\$20,000
A G Consumer Protection Fund	\$ 2,000
State Patrol Cash Fund	\$ 4,500
Motor Vehicle License Board	\$ 1,000
DMV Cash Fund	\$40,000

Based on the last 12 months approximately 900 applicants renewed their LPE. This would be a loss of revenue of \$11,250 (900 LPE at \$12.50).

By Fund Type:

County General Fund	\$ 225
DMV Cash Fund	\$4,500
Security Surcharge	\$4,050
State General Fund	\$2,475

This legislation allows the DMV to charge the actual cost of postage to mail apportioned plates to customers. This will be revenue neutral every fiscal year.

The DMV estimates that 550,000 documents will be issued each fiscal year. Of these, approximately 40%, or 220,000 will be 5 year documents that would apply to this legislation. Beginning July 1, 2022, the increased allocation of \$3.00 to the DMV Cash Fund will generate \$660,000 annually, this will have a negative impact to General Fund revenue by the same amount annually. The DMV will collect the county General Fund portion of the transactions at the Lancaster County Service Center. Based on past years, the DMV estimates \$140,000 of revenue will be collected for the DMV Cash Fund annually. One-time costs are estimated to the \$250,000. We estimate to begin with operational costs and revenue collection on January 1, 2023. Based on workload analysis the DMV will need 1 Assistant District Supervisor and 2 Examiners to fill the required workload at the new service center location. The examiners are projected to start on October 1, 2022. If this legislation moves forward, DAS will have additional rent costs as well for the office space that will be required to operate this service center.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Asst. District Supervisor	1.00	1.00	41,600	41,600
MV DR Examiner	1.50	2.00	51,936	69,247
Benefits.....			40,552	48,449
Operating.....			659,000	690,704
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			793,088	850,000

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

2022

LB⁽¹⁾ 750 AM1966, AM1967, AM2067, AM2085, AM2294

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 3/21/2022 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>See below</u>	<u>See below</u>	<u>See below</u>	<u>See below</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See below</u>	<u>See below</u>	<u>See below</u>	<u>See below</u>

Explanation of Estimate:

The bills amended to LB 750 by AM1966 will continue to impact the Dept. of Transportation (NDOT).

LB 913 as included in AM1966 updates Statute §39-1337 to add authority and responsibility to the Department of Transportation (NDOT) for construction, reconstruction, relocation, improvement, or maintenance of a highway approach damaged or destroyed due to an extreme weather event or faulty engineering and allows NDOT to seek reimbursement in the event of faulty engineering from the responsible party. Additional expense to NDOT is anticipated but can be accomplished within existing appropriation.

LB1145 as included in AM1966 updates Section 60-699 (4) to exclude the year of birth from the information listed as confidential. In addition, year of birth or age information of the operator or owner included in any report required under the section shall not be confidential and shall be a public record under Section 84-712.01. Minimal cost would be incurred to modify the computerized database used to capture all accident reports, but the expenses can be accommodated within the existing appropriation.

LB1259 as included in AM1966 retains the 6-year replacement cycle for license plates and increases the per plate issuance fee from \$3.50 to not more than \$4.25. If enacted, the bill would allow the Dept. of Motor Vehicles (DMV) to adjust the license plate fees to cover the cost of production of license plates and decals. It is assumed for purposes of this fiscal note that the increased fees would be accompanied by an increase in transfers from the Highway Trust Fund to the License Plate Cash Fund. It is indeterminate how much the increased fee will generate and to what extent an increased transfer would impact the Highway Trust Fund.

During FY 2022-23 and FY 2023-24, the NDOT would consider the increased fee revenue and changes in the transfers from the Highway Trust Fund to the License Plate Cash Fund during the motor fuels tax setting process and adjust the variable rate accordingly to generate revenue for NDOT based on the Highway Cash Fund appropriation set by the Legislature. The changes in fees over a multi-year period of time will offset the increased transfers from the Highway Trust Fund, but the timing of the fee revenue may not align within the same fiscal years as the transfers. The increase in fees and the increased transfers will also affect the Highway Allocation Fund, which is shared by cities and counties.

LB1022 and LB1266 as included in AM1966 will have no fiscal impact to NDOT. In addition, LB750 AM1967, AM2067, AM2085, and AM 2294 have no fiscal impact to NDOT.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	NUMBER OF POSITIONS		2022-23	2023-24
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			_____	_____

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

2022

LB⁽¹⁾ LB750, AM1966, AM1967, AM2067, AM2085, AM2294

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Service Commission

Prepared by: ⁽³⁾ Laurie Casados Date Prepared: ⁽⁴⁾ 3/15/2022 Phone: ⁽⁵⁾ 402-471-0252

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

This bill, as amended, has no fiscal impact for the Nebraska Public Service Commission.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>

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

2022

**LB⁽¹⁾ 750 AM 1966 AM 1967 AM 2067 AM 2085
and AM 2294**

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – State Building Division (SBD)

Prepared by: ⁽³⁾ Ann Martinez Date Prepared: ⁽⁴⁾ 03-20-2022 Phone: ⁽⁵⁾ 402-471-4135

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	\$375,000	\$375,000	\$750,000	\$750,000
TOTAL FUNDS	<u>\$375,000</u>	<u>\$375,000</u>	<u>\$750,000</u>	<u>\$750,000</u>

Explanation of Estimate:

LB 750 AM 1967 and other amendments noted above includes a provision to modify Section 60-1515 by adding a new subparagraph (3) which provides that the Department of Motor Vehicles (DMV) shall utilize three dollars of each fee allocated to the Department of Motor Vehicles (DMV) Cash Fund for state identification cards as described to open and operate an additional operators' licensing service center.

Currently three operators' licensing centers are operated in Bellevue, North and West Omaha that are commercially leased through the Department of Administrative Services (DAS) – State Building Division (SBD). Monthly lease payments are paid by DAS-SBD and billed to DMV. An increase in commercial leasing costs for SBD will increase the need for revolving fund appropriation for Program 560.

The annual lease amounts at the current three locations varies greatly and it is impossible at this time to determine the amount that will be required for a new location until an RFP is completed by DAS-SBD. Variables include the total square footage required, costs per square foot for construction and land, the use of an existing commercial space with lease hold improvements, a completely new build to suit location, increasing construction costs, supply chain issues, when the center would be completed and when the lease payments would begin, etc.

Using an estimate of total annual leasing costs of \$750,000 and a completion date of early 2023 the FY22-23 request is for \$375,000 revolving fund appropriation and \$750,000 for FY23-24.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	\$375,000	\$750,000
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>\$375,000</u>	<u>\$750,000</u>