

Revised to include an additional agency response.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$23,339)		(\$23,339)	
CASH FUNDS	(\$20,000)	(\$1,632,999)	(\$20,000)	
FEDERAL FUNDS	(\$45,305)		(\$45,305)	
OTHER FUNDS				
TOTAL FUNDS	(\$88,644)	(\$1,632,999)	(\$88,644)	

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

LB1200 proposes annual updates to federal law references and regulations in state law to match with federal law and regulations for the Nebraska Department of Motor Vehicles (DMV). This harmonizing with federal statutory language, along with deletion of obsolete language must be done on an annual basis to avoid incompatibility and remain current with federal regulations.

LB1200 would allow:

- For the issuance of motor vehicle titles when a decedent’s estate has been closed more than 10 years;
- The DMV to send out notices by regular mail instead of certified mail;
- For ATV/UTV owners to file for a certificate of title in any Nebraska county;
- Owners to avoid an identification inspection if they have a U.S. Government Certificate to Obtain Title;
- For the checking of either the Nebraska Crime Information Service or the National Motor Vehicle Title Information System when conducting an identification inspection of a vehicle;
- Owners who retain a salvage vehicle to obtain a salvage branded certificate of title;
- The DMV to revoke or refuse issuance of registration for applicants who violate the International Registration Act;
- The DMV to revoke registrations of intrastate trucks that have violated other provisions of law;
- Extend from 10 to 30 days, the time which the DMV has to issue operator’s licenses to those turning 21 years old;
- Include querying the Federal Drug and Alcohol Clearing House when issuing commercial driver’s licenses;
- The DMV to perform revocations or restoration of commercial driver’s licenses after being notified by the Federal Drug and Alcohol Clearing House of offenses or erroneous notifications;
- Restricted commercial operator’s licenses seasonal period of validity to be changed to 210 days instead of only 180 days;
- Trucks with camera systems approved by the Federal Motor Carrier Safety Administration to use cameras in lieu of a rearview mirror;
- Vehicles with camera systems approved by the Federal Motor Carrier Safety Administration to use cameras in lieu of a right-side and left-side outside mirror;
- Modifications to civil penalties against both commercial drivers and motor carriers;
- Changes the allocation of registration fees credited to the Motor Carrier Services Division as follows:
 - a increase from 27% to 28% in the amount credited to the Highway Tax Fund;
 - a increase from 64% to 67% in the amount credited to the Highway Trust Fund;
 - a decrease from 9% to 5% in the amount credited to the Motor Carrier Services System Replacement and Maintenance Fund.

This bill contains an emergency clause.

Expenditures:

The DMV has estimated spending \$20,000 less in cash funds in both FY2024-25 and FY2025-26, due to saving \$4 per suspension notice (approximately 5,000 sent annually) if they are no longer required to send these by certified mail.

The Department of Health and Human Services (DHHS) is a cost savings of \$23,339 in general funds and \$45,305 in federal funds; for a total savings of \$68,644 in both FY2024-25 and FY2025-26. This is due to the removal of the certified mail notice requirement for motor vehicle license suspensions for noncustodial parents with delinquent child support. By current law, they must mail two certified notices out for each qualifying case before the license suspension can occur. This bill will save them approximately \$4.36 for each time they mail one of the estimated 15,744 notices they send out annually.

The Nebraska Supreme Court has indicated they would have minor judicial education expenses which can be absorbed by the agency's existing appropriations.

Revenues:

The DMV has estimated a potential total loss of cash fund revenue in FY2024-25 only, due to the effective date for the IRP Registration Fee reduction changing from July 1, 2025 to July 1, 2024. This fee changed from \$35.00 per ton to \$33.50 per ton would account for a total cash fund revenue loss of (\$1,632,999) in FY2024-25 only.

The breakdown of the revenue loss is as follows:

FY2024-25 REVENUE	
DMV MOTOR CARRIER MODERNIZATION CASH FUND est.	\$(1,605,782)
MOTOR VEHICLE TAX CASH FUND est.	\$ (76,207)
HIGHWAY TRUST CASH FUND est.	\$ 48,990
TOTAL REVENUE LOSS est.	<u>\$(1,632,999)</u>

The DMV estimated these losses based on previous calendar year collections. The increase/decrease in the Motor Vehicle Tax Fund and the Highway Trust Fund are due to rounding to the whole percent in the allocation of the revenue.

Both the Nebraska State Patrol and the Nebraska Public Service Commission have indicated they would have no fiscal impact from the passage of this bill. However, the Nebraska State Patrol has disclosed a significant potential loss of Federal Motor Carrier Safety Administration funding of over \$5 million dollars in both years(FY2023-24 and FY2024-25), if this bill does not pass.

There is no basis to disagree with these estimates of fiscal impact provided by the Department of Motor Vehicles, the Department of Health and Human Services, the Nebraska Supreme Court, the Nebraska State Patrol, nor the Nebraska Public Service Commission.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1200	AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Joe Massey	DATE: 1/30/2024	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Health and Human Services assessment of fiscal impact from LB 1200.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1200	AM:	AGENCY/POLT. SUB: Motor Vehicles	
REVIEWED BY: Joe Massey	DATE: 1/25/2024	PHONE: (402) 471-4181	
COMMENTS: Motor Vehicles assessment of fiscal impact from LB 1200 appears reasonable using the assumptions provided			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1200	AM:	AGENCY/POLT. SUB: Nebraska Public Service Commission	
REVIEWED BY: Joe Massey	DATE: 1/23/2024	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Nebraska Public Service Commission's assessment of no fiscal impact from LB 1200			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1200 AM: AGENCY/POLT. SUB: 05 Supreme Court

REVIEWED BY: Joe Massey DATE: 1/29/2024 PHONE: (402) 471-4181

COMMENTS: No basis to disagree with the 05 Supreme Court's assessment of minimal fiscal impact from LB 1200.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1200 AM: AGENCY/POLT. SUB: Nebraska State Patrol

REVIEWED BY: Joe Massey DATE: 1/29/2024 PHONE: (402) 471-4181

COMMENTS: No basis to disagree with the Nebraska State Patrol's assessment of no fiscal impact from LB 1200

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 1-29-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</u>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$23,339)	\$0	(\$23,339)	\$0
CASH FUNDS	\$0	\$0	\$0	\$0
FEDERAL FUNDS	(\$45,305)	\$0	(\$45,305)	\$0
OTHER FUNDS	\$0	\$0	\$0	\$0
TOTAL FUNDS	(\$68,644)	\$0	(\$68,644)	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB1200 eliminates the certified mail notice requirement for motor vehicle license suspensions for noncustodial parents with delinquent child support.

Under this bill, Child Support Enforcement (CSE) offices will use regular United States (US) mail to send the required notices to license holders who are delinquent in their child support.

Currently, by law, two certified notices are required for each qualifying case before license suspension occurs. CSE sends approximately 15,744 license suspension notices annually. The cost for this mail is paid utilizing 66% federal funds and 34% state general funds.

Using certified mail:

- \$5.04 per notice
- \$10.08 per case (2 notices)
- Estimated 15,744 notices will be sent annually: \$79,350.
- Split:
 - General funds: \$26,979
 - Federal funds: \$52,371

Using US mail:

- \$0.68 per notice
- \$1.36 per case (2 notices)
- Estimated 15,744 notices will be sent annually: \$10,706.
- Split:
 - General funds: \$3,640
 - Federal funds: \$7,066

Difference:

- (\$4.36) per notice
- (\$8.72) per case (2 notices)
- Estimated 15,744 notices will be sent annually: (\$68,644)
- Split:
 - General funds: (\$23,339)
 - Federal funds: (\$45,305)

These rates are subject to increase when the United States Postal Service authorizes a rate increase.

PERSONAL SERVICES:

POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
	24-25	25-26	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....			(\$68,644)	(\$68,644)
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			(\$68,644)	(\$68,644)

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

2024

LB⁽¹⁾ 1200

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 22, 2024 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>(20,000)</u>	<u>(1,632,999)</u>	<u>(20,000)</u>	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u><u>(20,000)</u></u>	<u><u>(1,632,999)</u></u>	<u><u>(20,000)</u></u>	_____

Explanation of Estimate:

This legislation reduces the IRP Registration Fee from \$35.00 per ton to \$33.50 per ton effective July 1, 2024. The effective date for this reduction was originally set for July 1, 2025. Therefore, only one fiscal year has impact. The total fees collected will decrease by \$1,632,999 based on previous calendar year collections. The impacted funds are a reduction to the DMV Motor Carriers Modernization Fund by \$1,605,782, A decrease to the Motor Vehicle Tax Fund of 76,207, and an increase to the Highway Trust Fund of \$48,990. The increase/decrease in the Motor Vehicle Tax Fund and the Highway Trust Fund are due to rounding to the whole percent in the allocation of the revenues.

This cost savings to the DMV is due to the provision to not mail suspension notices by certified mail. The department estimates 5,000 suspensions notices are mailed every year at an additional cost of \$4 per certified mail notice.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	<u>(20,000)</u>	<u>(20,000)</u>
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2024

LB⁽¹⁾ 1200

FISCAL NOTE

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

Prepared by: ⁽³⁾ Laurie Casados Date Prepared: ⁽⁴⁾ 1/22/2024 Phone: ⁽⁵⁾ 402-471-0252

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

LB1200 has no fiscal impact for the Public Service Commission.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

2024

LB⁽¹⁾ 1200

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Jamie Page-Shuman Date Prepared: ⁽⁴⁾ 01-29-2024 Phone: ⁽⁵⁾ 402-479-4908

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact. The impact of this bill would occur if it was not passed.

The proposal to update current legislation and will not have a cost for implementation, only a reduction of funding if it fails to pass.

This estimate is based on the Federal Motor Carrier Safety Administration’s MCSAP expected disbursement for FY2023 and FY2024. It is estimated that the Agency would lose \$5,587,597 in FY 2023-2024 and \$5,510,585 in FY 2024-2025. The Agency anticipates future fiscal year totals to reflect a similar negative impact pattern dependent on future federal commitment, which is not yet known.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

2024

LB⁽¹⁾ 1200

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 1/26/2024 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Minimal potential impact to provide judicial education. No additional resources required.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____