

Newly revised to reflect all adopted amendments.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$4,300,838)		(\$4,303,088)
CASH FUNDS	\$2,278,319	\$4,304,500	\$2,053,604	\$4,293,500
FEDERAL FUNDS				
OTHER FUNDS		\$2,588		(\$162)
TOTAL FUNDS	\$2,278,319	\$6,250	\$2,053,604	(\$9,750)

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

LB138 as newly amended by AM1975 (LB91 as amended by Committee AM926) changes the existing Nebraska state helmet law as of January 1, 2024. LB138 also includes these previously adopted amendments: AM837 (incorporates the provisions of LB199 with modifications), AM1138 (a modified version of the original contents of LB465), AM1207 (an amended version of LB738 with AM356 verbiage changes), AM1218 (contains the original versions of both LB453 and LB796). This bill contains an emergency clause.

LB138 proposes annual updates to incorporate new or revised federal regulations into state law to match with federal law and regulations for both the Nebraska State Patrol and the Department of Motor Vehicles (DMV). The federal requirements adopted and incorporated by reference in the bill are those that were in existence and operative on January 1, 2023. The adoption of these regulations is required on an annual basis to remain current with federal regulations and avoid incompatibility. LB138 makes changes to both the commercial drivers' license examination waiver language and the length of time commercial learners' permits are valid. In addition, the bill adjusts civil penalties for motor carrier violations.

AM1975 changes the existing Nebraska state helmet law as of January 1, 2024. The law modification would apply to both Nebraska residents and non-residents riders over the age of 21, who have completed a Motorcycle Safety Foundation or similar approved basic rider course approved by the person's state of residence. These individuals would be allowed to elect not to wear a helmet, provided they carry the proof of a Motorcycle Safety Foundation basic rider course or equivalent course completion. Nebraska residents would be required to submit proof to the Department of Motor Vehicles for a course completion date to be recorded on the person's record. All riders would be required to either wear eye protection or else have a windshield of some kind on their motorcycle or moped. Additionally, the amendment would make helmet violations after January 1, 2024 a secondary offense for those age 21 or older, enforced as an infraction with a \$250 fine. This new law modification would not apply to those 20 years of age or younger.

AM837 compels the DMV by November 1, 2023, to develop and issue non-REAL ID compliant operators' licenses, state identification cards, CLP-commercial learners' permits, and commercial drivers' licenses for individuals assigned a parolee immigration status by the U.S. Department of Homeland Security. These cards and permits will not be in compliance with the federal REAL ID Act nor acceptable for official federal purposes.

AM1138 removes the allocation of drivers' license fees, commercial drivers' license fees, 24/7 sobriety program permits, state identification cards, and replacement ignition interlock permit fees from the State General Fund, and moves the fund distribution to the DMV Cash Fund.

AM1207 provides clarification on the definition of a bicycle to include electric bicycles. The amendment establishes Class I, Class II, and Class III electric bicycles based on different types of bicycle propulsion and levels of speed.

AM1218 allows the Nebraska Department of Transportation (NDOT) to pay for the administrative expenses of the Division of Aeronautics of the NDOT, such as salaries and benefits, from the Highway Cash Fund, at the sole discretion of the Director-State Engineer, to be in the best interest of transportation in Nebraska. AM1218 also, changes the required county contribution for bridge replacements from furnishing up to 50% down, to 20% or less. AM1218 would increase the estimated threshold cost for a sealed-bid process contract from \$150,000 to \$250,000, and allow annual adjustments to this amount on October 1st, based on the percentage change in the Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor, Bureau of Labor Statistics. Finally, AM1218 amends duties under the Nebraska Public Transportation Act, requiring the NDOT to develop and administer a rail transit safety oversight program to oversee rail transit systems operated by the state, an interstate agency, or any political subdivision.

Fiscal Impact of LB138

Expenditures:

The DMV has indicated, they would need an estimated \$300,000 in FY2023-24 for programming changes made by their card production contractor. Also, the expense for issuing the cards would be \$6,250 in FY2023-24 (\$1,000 cards issued x \$6.25 each). Additional DMV programming costs will be absorbed within their existing appropriations. The DMV would also be able to absorb the minor programming costs associated with changes for the repeal of the helmet law in AM1975.

NDOT has indicated AM1218 would cause an increase in expenditures of \$1,972,069 in FY2023-24 and \$2,053,604 in FY2024-25 (of which \$1,509,005 in FY2023-24 and \$1,572,306 in FY2024-25 would be PSL). The Aeronautics Division would experience a zero net change in expenditures, as the funding they would have paid on salary and benefits which would come from the Highway Cash Fund appropriation, would instead be used to increase the local airport funding. This would offset their savings both fiscal years of the biennium. Hence, there will be an overall increase of expenditures. It is worth noting, this increased expenditure from the Highway Cash Fund appropriation, could possibly cause an upward adjustment to the variable portion of the total fuel tax in the future. NDOT has indicated they expect to hire a rail transit system consultant, and engage the City of Omaha in a financial agreement to commit funds for the consultant. In addition, the NDOT estimates expenses incurred (for AM1975) for the modification of helmet law signs at state border crossings at \$24,000, which NDOT can accommodate with their existing appropriation.

The Omaha Police Department has submitted the passing of AM1975, would possibly increase their expenditures for both an additional day shift and night shift accident investigators if there was an increase in motorcycle crash fatalities, and potential overtime associated with court testimony. Their total estimated expenses of \$296,947 are at the city/county level, thus not reported in the boxes above.

Revenues:

The DMV has estimated a potential revenue loss of (\$9,750) in both FY2023-24 and FY2024-25 (assuming 650 less commercial learners' permit renewals @ \$15.00 each). In addition, the DMV estimates the new licenses and cards (valid for 2 years) should generate approximately \$16,000 in revenue in FY2023-24 (1,000 cards x \$16.00 each). Of this \$16,000, the State General Fund would receive \$2,250, the DMV Cash Fund \$11,000, and the County General Funds would receive the remaining \$2,750. AM 1138 would not have an increase in revenue, rather a difference in the allocation of the \$4,300,000 in revenue collected yearly from the State General Fund to the DMV Cash Fund.