

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB612 relates to motor vehicle liability insurance. The bill proposes to increase compensatory damages for motor vehicle liability coverage and uninsured motorist coverage. The compensatory damages for bodily injury, sickness, disease or death for both motor vehicle liability coverage and uninsured motorist coverage from twenty-five thousand dollars to fifty thousand dollars of one person in one accident and from fifty thousand dollars to one hundred thousand dollars of two or more persons in one accident. The bill would be effective January 1, 2022.

Based on historical costs, the Department of Administrative Services anticipates that the increased premiums would range from \$25,000- \$50,000 annually. Any increase in claims will require an increase in revolving fund appropriation and an increase of the annual Motor Vehicle Liability (MVL) assessment. The MVL assessment for the new biennium has already been published and would have to be revised. Any changes to the published assessment will impact any agencies, boards, and commissions with vehicles. The breakdown of the maximum anticipated increase by funding type is as follows:

Fund Type	Expenditures- FY22-23	Expenditures- FY21-23
General Fund	\$12,678	\$12,678
Cash Fund	\$18,403	\$18,403
Federal Fund	\$10,790	\$10,790
Revolving Fund	\$8,129	\$8,129
TOTAL	\$50,000	\$50,000

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 612	AM:	AGENCY/POLT. SUB: Department of Administrative Services
REVIEWED BY: Neil Sullivan	DATE: 2/1/2021	PHONE: (402) 471-4179
COMMENTS: The Department of Administrative Services assessment of fiscal impact from LB 612 appears reasonable.		

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

2021

LB⁽¹⁾ 612

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept of Administrative Services (DAS) – Risk Management Division

Prepared by: ⁽³⁾ Allen Simpson Date Prepared: ⁽⁴⁾ 1/22/2021 Phone: ⁽⁵⁾ (402)471-4436

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	\$50,000	\$50,000	\$50,000	\$50,000
TOTAL FUNDS	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

Explanation of Estimate:

LB 612 will increase the uninsured and underinsured vehicle limits from \$25,000 to \$50,000 because of bodily injury, sickness, disease, or death of one person in any one accident and increase the limit from \$50,000 to \$100,000 for bodily injury, sickness, disease, or death of two or more persons in any one accident. The changes would be effective January 1, 2022.

The State Insurance program has historically had one to two claims per year to be paid under the uninsured/underinsured limits.

Based on historical numbers the additional cost could be between \$25,000 and \$50,000 per fiscal year. Any increase in claims will require an increase in revolving fund appropriation and an increase of the annual Motor Vehicle Liability (MVL) assessment. The MVL assessment for the new biennium has already been published and would have to be revised. Any changes to the published assessment will impact any agencies, boards, and commissions with vehicles.

The table below summarizes the estimated impact by fund type of any increase in the MVL assessment. The allocation by fund type below is based on an average of Operating expenditures over a four-year period (2017-2020).

Fund Type	Expenditures - FY21-22	Expenditures - FY22-23
General Fund	\$12,678	\$12,678
Cash Fund	\$18,403	\$18,403
Federal Fund	\$10,790	\$10,790
Revolving Fund	\$8,129	\$8,129
Total	\$50,000	\$50,000

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>21-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$50,000	\$50,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$50,000	\$50,000