Shelly Glaser March 15, 2024 402-471-0052

**LB 1200** 

Revision: 02

# FISCAL NOTE

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

Revised to reflect AM2508.

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 AM2508**, contains the provisions of LB1200 as amended by Committee AM2508, plus the provisions of six other bills as follows:

**LB1200** as amended by AM2508, 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). Plus, changes from LB136 (2023 session), which relate to the Motor Vehicle Certificate of Title Act, the Motor Vehicle Registration Act, and the Motor Vehicle Operator's License. This bill is 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. Some changes are:

- 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;
- Vehicles with camera systems approved by the Federal Motor Carrier Safety Administration to use cameras in lieu of a rightside and left-side outside mirror:
- Modifications to the maximum dollar value of civil penalties against both commercial drivers and motor carriers:
- Changes the allocation of registration fees credited to the Motor Carrier Services Division as follows:
  - o an increase from 27% to 28% in the amount credited to the Highway Tax Fund;
  - o an 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.

**LB226** amends the Transportation Innovation Act to allow contracting agencies the ability to combine the separate qualification and proposal steps into a single-step process, if they determine it to be in their best interest. If the single-step process is used, the contracting agency is required to consider the qualifications of all proposing construction managers as a part of the request for proposals. Additionally, this bill permits the department to procure services using an unsolicited proposal, when the department determines there is sufficient merit to pursue the unsolicited proposal and a reasonable opportunity for other entities to submit competing proposals. LB226 allows the department to implement an unsolicited proposal process, utilize funds for evaluation, reviewing, developing, and implementing unsolicited proposals. Then, enter into contracts for such proposals as deemed by the department to be in the best interest of the state. In the scoring process, preference may be given for creativity and innovative unsolicited proposals which afford a substantive benefit to the state beyond traditional procurement and project delivery methods.

**LB891** adjusts the definition of a manufacturer in the Motor Vehicle Industry Regulation Act to clarify that a manufacturer is a person who manufactures or assembles motor vehicles, who may not own or operate a service facility or perform warranty or non-warranty work on any vehicle, unless they manufacture or distributes electric vehicles, and is not a franchisor in Nebraska.

**LB900** modifies §60-6,290 to include the length of a truck from front bumper to rear bumper, including load, may exceed 40 feet, but may not exceed 45 feet.

**LB929** as amended by AM2080, requires the Nebraska Department of Health and Human Services (DHHS) to coordinate with the Nebraska Public Service Commission (PSC) to ensure that the 988 Suicide and Crisis Lifeline can connect callers to, and receive communications from, the 911 service system. The commission would adopt statewide standards for the enhancement, support, training, and quality assurance that will allow the 911 service system to engage with the 988 Suicide and Crisis Lifeline providing for dual capability so that it would be operational by Jan. 1, 2025. This bill clarifies there is immunity from liability given to those involved in the 988 Hotline services, with the exception of those failing to use reasonable care or committing an intentional act.

LB966 modifies the traffic control signal statue §60-6,123 to comply with federal law by:

- Allowing vehicles facing a flashing yellow arrow to cautiously enter the intersection to make the movement indicated by the flashing yellow arrow in the direction of the arrow, while yielding the right-of-way to pedestrians within an adjacent crosswalk and to other traffic using the intersection;
- Permitting vehicles facing a stead circular red indicator make a right turn, or a left turn from a one-way to another one-way, when there is no traffic control device specifically prohibiting the turn; and
- Instructing vehicles facing a steady red arrow indication to stop at a clearly marked stop line, before entering the nearest crosswalk, or before entering the intersection. The vehicle must remain stopped until the indicator changes.

Additionally, this bill would change §66-4,144 to allow the Nebraska Department of Transportation (NDOT) Director-State Engineer to set a more exact variable fuel excise tax rate in increments as small as one-hundredths of one percent, rather than one-tenths of one percent, at the beginning of every fiscal year.

This bill contains an emergency clause.

#### Expenditures:

DHHS has estimated a cost savings of \$23,339 in general funds, \$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. DHHS mails out around 15,744 of these notices annually.

The DMV has estimated spending \$20,000 less in cash funds in both FY2024-25 and FY2025-26, if they are no longer required to send out these notices via certified mail. They send out approximately 5,000 suspension notices each year.

#### 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	1,605,782)
MOTOR VEHICLE TAX CASH FUND est.	\$	(76,207)
HIGHWAY TRUST CASH FUND est.	\$	48,990
TOTAL REVENUE LOSS es	. \$(1	1,632,999)

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.

There would be **minimal fiscal impact** to NDOT, the Nebraska Department of Revenue (NDOR), and the Nebraska Supreme Court. While the PSC has indicated no fiscal impact. Additionally, the Nebraska Association of County Officials and the Lancaster County Sheriff's Office have signified no fiscal impact. However, if the bill does not pass, there could be a significant potential loss of Federal Motor Carrier Safety Administration funding of over \$5 million dollars each fiscal year to the Nebraska State Patrol.

There is no basis to disagree with these estimates of fiscal impact provided by: DHHS, the DMV, NDOT, NDOR, the Nebraska Supreme Court, the Nebraska State Patrol, the PSC, the Nebraska Association of County Officials, nor the Lancaster County Sheriff's Office.

Note: This fiscal note will be revised if additional agency responses are received.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 1200	AM: 2508	AGENCY/POLT. SUB:	05 Supreme Court		
REVIEWED B	REVIEWED BY: Joe Massey DATE: 3/4/2024 PHONE: (402) 471-4181				
COMMENTS: No basis to disagree with the 05 Supreme Court assessment of minimal fiscal impact from LB 1200 AM 2508.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 1200 AM: 2508 AGENCY/POLT. SUB: Department of Revenue					
REVIEWED BY: Joe Massey DATE: 3/8/2024 PHONE: (402) 471-4181					
COMMENTS: No basis to disagree with the Department of Revenue's assessment of no fiscal impact from LB 1200 AM 2508					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 1200 AM: 2508 AGENCY/POLT. SUB: Nebraska Department of Transportation (NDOT)						
REVIEWED BY: Joe Massey DATE: 3/7/2024 PHONE: (402) 471-4181						
COMMENTS: The Nebraska Department of Transportation (NDOT) assessment of minimal fiscal impact from LB 1200 AM 2508 appears reasonable.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 1200 AM: 2508 AGENCY/POLT. SUB: : Nebraska Public Service Commission						
REVIEWED BY: Joe Massey DATE: 3/7/2024 PHONE: (402) 471-4181						
COMMENTS: Nebraska Public Service Commission's assessment of no net fiscal impact from LB1200 AM 2508 appears reasonable.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 1200	AM: 2508	AGENCY/POLT. SUB:	Motor Vehicles		
REVIEWED B	SY: Joe Massey	DATE: 3/8/2024	PHONE: (402) 471-4181		
COMMENTS: Motor Vehicles assessment of fiscal impact from LB 1200 AM 2508 appears reasonable using the assumptions provided					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 1200 AM: 2508 AGENCY/POLT. SUB: Lancaster County Sheriff's Office						
REVIEWED BY: Joe Massey DATE: 3/4/2024 PHONE: (402) 471-4181						
COMMENTS: No basis to disagree with the Lancaster County Sheriff's Office's assessment of no fiscal impact from LB 1200 AM 2508						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 1200	AM: 2508	AGENCY/POLT. SUB: Neb	raska Association of County Officials			
REVIEWED B	Y: Joe Massey	DATE: 3/4/2024	PHONE: (402) 471-4181			
COMMENTS: No basis to disagree with the Nebraska Association of County Officials assessment of no fiscal impact from LB 1200 AM 2508						

Benefits...
Operating...
Travel...
Capital outlay...
Aid...
Capital improvements...
TOTAL...

riease complete	ALL (3) blanks in the inst	tillee illies.				
LB <sup>(1)</sup> 1200	AM2508					FISCAL NOTE
State Agency OR I	Political Subdivision Name:	Lancas	ter County S			
Prepared by: (3)	Sheriff Terry Wagner	Date l	Prepared: (4)	3/4/2024	Phone: (5)	402 441 6500
	ESTIMATE PRO	OVIDED BY S	TATE AGENC	CY OR POLITICAL	SUBDIVI:	SION
	]	FY 2024-25			FY 2025	5-26
	EXPENDITUR		<u>REVENUE</u>	<b>EXPENDITUR</b>		REVENUE
GENERAL FUN	DS					
CASH FUNDS						
FEDERAL FUNI	DS		_			
OTHER FUNDS	<del></del>					
TOTAL FUNDS	0.00		0.00	0.00		0.00
Evalenation of E	stimate: No fiscal impac	t anticinated				
Explanation of E	stimate. No fiscal impact	anticipateu.				
	DDEAKD	OMEN DAY MAA	IOD ODIECTS	OF EXPENDITION	E	
Personal Services		OWN BY MA.	IOR OBJECTS	OF EXPENDITUR	<u>E</u>	
	ION TITLE	NUMBER OF	POSITIONS 25-26	2024-25 EXPENDITUI	RES	2025-26 EXPENDITURES
		<u></u>				

LB <sup>(1)</sup> 1200 AM 2508					FISCAL NOTE
State Agency OR Political Subdivision Name:	Nebras	ska Departm	ent of Transp	ortation (NI	OOT)
Prepared by: (3) Jenessa Boynton	Date	Prepared: (4)	3/1/2024	Phone: (5	402-479-4691
ESTIMATE PRO	VIDED BY S	TATE AGEN	CY OR POLITIC	AL SUBDIVI	SION
<u>EXPENDITUR</u>	FY 2024-25 RES	REVENUE	<u>EXPEND</u>	<u>FY 209</u> ITURES	<u>25-26</u> <u>REVENUE</u>
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS	<u> </u>				
TOTAL FUNDS	<u> </u>				
weight. In addition, allocation of revent beginning July 1, 2024.  The fiscal impact of the combined chaminimal impact to the Highway Trust F	nge in rate p			•	
	WN BY MA.	JOR OBJECTS	OF EXPENDIT	<u>rure</u>	<del></del>
Personal Services:	NUMBER (	OF POSITION	S 2024	k-25	2025-26
POSITION TITLE	<u>24-25</u>	<u>25-26</u>	EXPEND	<u>ITURES</u>	EXPENDITURES
Benefits					
Operating					
Travel					
Capital outlay					
Capital improvements					
TOTAI	•				

		State Agency	Estimate			
State Agency Name: Department of	Revenue				Date Due LFO:	
Approved by: James R. Kamm		Date Prepared:	03/06/2024		Phone: 471-5896	
	FY 2024	I-202 <u>5</u>	FY 2025	<u>5-2026</u>	FY 2026	5-2027
	<b>Expenditures</b>	Revenue	<b>Expenditures</b>	Revenue	<u>Expenditures</u>	Revenue
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

LB 1200 AM 2508, among various other provisions, changes the motor fuels excise tax rate to be set in increments of one-hundredth of one percent instead of one-tenth of one percent.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Department of Revenue to implement this bill.

This bill contains an emergency clause and becomes law upon enactment.

Major Objects of Expenditure							
Class Code	Classification Title	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures
Travel							
Capital Improvements							
TD 4 1							

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 3-1-2024 <u>FY 2024-2025</u>		Phone: (5) 471-6719  FY 2025-2026		
_	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: \$26,979Federal 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: \$3,640Federal 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. AM2508 does not affect these estimations.

AM2508 does incorporate language from LB929 with the fiscal impact as follows:

While the mechanics of allowing for calls will not have a fiscal impact, the functionality of this could affect the number of calls routed to 988 and therefore the cost of operating 988 may increase due to the need for more staff. The FY24 contract is based on 46,994 inbound and outbound calls as well as 19,227 text and chat sessions (total of 66,221). This contract is set to increase to 94,924 calls, chats, and texts in FY25. If call volumes increase past this, additional staff may be needed for Boys Town to maintain required call response times. Increased call volumes may increase the cost to the Department of Health and Human Services' vendors, which may in turn increase contract costs to the Department.

MAJO	R OBJECTS OF EXPENDITURE		
PERSONAL SERVICES:			
	NUMBER OF POSITIONS	2024-2025	2025-2026
POSITION TITLE	24-25 25-26	EXPENDITURES	EXPENDITURES
Benefits			
Operating		(\$68,644)	(\$68,644)
	<u> </u>	, ,	
Travel		\$0	\$0
Capital Outlay		\$0	\$0
Aid		\$0	\$0
Capital Improvements		\$0	\$0
TOTAL			(\$68,644)
TOTAL		(\$68,644)	(\$68,64

TOTAL.....

LB <sup>(1)</sup> 1200 AM 2508			I	FISCAL NOTE
State Agency OR Political Subdivision Name: (2)	Motor Vehicles			
Prepared by: (3) Bart Moore	Date Prepared: (4)	March 1, 2024	Phone: (5)	402-471-3902
ESTIMATE PROVII	DED BY STATE AGEN	ICY OR POLITICAL	SUBDIVIS	ION
<u>FY 2</u> <u>EXPENDITURES</u>	<u>024-25</u> <u>REVENUE</u>	EXPENDITU	<u>FY 2025-</u> RES	<u>-26</u> <u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS (20,000)	(1,632,999)	(20,000)		
FEDERAL FUNDS	(:,002,000)	(=0,000)		
OTHER FUNDS				
	(4.632.000)	(20,000)	<del></del>	
TOTAL FUNDS (20,000)	(1,632,999)	(20,000)		
Explanation of Estimate:				
the Motor Vehicle Tax Fund of 76,207, ar increase/decrease in the Motor Vehicle T whole percent in the allocation of the reverse This cost savings to the DMV is due to the department estimates 5,000 suspensions mail notice.  This Fiscal Note is the same for LB 1200	ax Fund and the High enues. e provision to not ma s notices are mailed e	nway Trust Fund and il suspension notice every year at an add	e due to ro	ounding to the fied mail. The
Personal Services:	N BY MAJOR OBJECT	S OF EXPENDITUR	<u>E</u>	
NU	MBER OF POSITIONS 24-25 25-26	S 2024-25 EXPENDITU	RES	2025-26 EXPENDITURES
Benefits				
Operating		(20,000)		(20,000)
Travel				
Capital outlay				
Capital improvements				

LB <sup>(1)</sup> 1200	), AM2508					FISCAL NOTE	
State Agency OR Political Subdivision Name: (2)		Nebr	Nebraska Public Service Commission				
Prepared by: (3)	Laurie Casados	Da	te Prepared: <sup>(4)</sup>	3/4/2024	Phone: (5)	402-471-0252	
	ESTIMATE PRO	OVIDED BY	Y STATE AGEN	NCY OR POLITIC	AL SUBDIVIS	ION	
	<u>EXPENDITUR</u>	Y 2024-25 <u>ES</u>	<u>REVENUE</u>	EXPENDI'	<u>FY 2025</u> <u>TURES</u>	<u>-26</u> <u>REVENUE</u>	
GENERAL FUN	DS			_			
CASH FUNDS							
FEDERAL FUN	DS						
OTHER FUNDS	<u></u>						
TOTAL FUNDS	0	_	0	0		0	
Explanation of E	Estimate:						
		OWN BY M	IAJOR OBJECT	TS OF EXPENDIT	<u>rure</u>		
Personal Service	:S:	NUMBER	OF POSITION	S 2024-	<u> </u>	2025-26	
POSIT	TION TITLE	<u>24-25</u>	<u>25-26</u>	EXPENDI		EXPENDITURES	
				_			
	ments			<del></del>			
				·			

**FISCAL NOTE** 

**LB**<sup>(1)</sup> 1200, AM2508

State Agency OR	Political Subdivision Name:	Nebraska Association of County Officials (NACO)				
Prepared by: (3)	Elaine Menzel	Date Prepared: (4)	3/4/2024 Pho	one: (5) 402.434.5660		
	ESTIMATE PRO	OVIDED BY STATE AGEN	NCY OR POLITICAL SUI	BDIVISION		
	<u>EXPENDITUR</u>	<u>Y 2024-25</u> <u>ES REVENUE</u>	<u>FY</u> EXPENDITURES	<u>Y 2025-26</u> <u>REVENUE</u>		
GENERAL FUN	IDS		_			
CASH FUNDS		<u></u>				
FEDERAL FUN	DS					
OTHER FUNDS	3					
TOTAL FUNDS	·					
Explanation of E	Estimate:	<u> </u>				
law.	annual bill requested by		or Vehicles that updates			
Personal Service	es:		TO DI MINIOR OBSECTS	<u> </u>		
POSIT	TION TITLE	NUMBER OF POSITION <u>24-25</u> <u>25-26</u>	S 2024-25 <u>EXPENDITURES</u>	2025-26 EXPENDITURES		
Benefits						
Travel						
Capital outlay						
Aid						
Capital improve	ments					
TOTAL						

LB <sup>(1)</sup> 1200, AM2508			FISCAL NOTE
State Agency OR Political Subdivision Name:	05 Supreme Court		
Prepared by: (3) Eric Asboe	Date Prepared: (4)	8/4/2024 Phone: (5	402-326-9215
ESTIMATE PRO	OVIDED BY STATE AGENC	Y OR POLITICAL SUBDIV	ISION
<u>EXPENDITUR</u>	FY 2024-25 RES REVENUE	<u>FY 202</u> EXPENDITURES	<u>25-26</u> <u>REVENUE</u>
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS	<u> </u>		
TOTAL FUNDS			
<b>Explanation of Estimate:</b>			
Personal Services:	OWN BY MAJOR OBJECTS	OF EXPENDITURE	
POSITION TITLE	NUMBER OF POSITIONS 24-25 25-26	2024-25 EXPENDITURES	2025-26 EXPENDITURES
Benefits			
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			