

Revised per AM837, AM1138, AM1207, and AM1218

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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)
<b>TOTAL FUNDS</b>	<b>\$2,278,319</b>	<b>\$6,250</b>	<b>\$2,053,604</b>	<b>(\$9,750)</b>

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

LB138 was amended by: 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 wavier language and the length of time commercial learners' permits are valid. In addition, the bill adjusts civil penalties for motor carrier violations.

**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.

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. 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.

**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.

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**2023**

**LB<sup>(1)</sup> 138 AM 837 1138 1207 1218**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Motor Vehicles

Prepared by: <sup>(3)</sup> Bart Moore Date Prepared: <sup>(4)</sup> April 7, 2023 Phone: <sup>(5)</sup> 402-471-3902

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		(4,297,750)		(4,300,000)
CASH FUNDS	306,250	4,311,000		4,300,000
FEDERAL FUNDS				
OTHER FUNDS		2,750		
<b>TOTAL FUNDS</b>	<u>306,250</u>	<u>16,000</u>		<u>0</u>

**Explanation of Estimate:**

**AM 837**

This amendment will require the development and deployment of a non-REAL ID compliant operator license and state identification cards by our vendor. The vendor's estimate for development of this card is \$300,000. Additionally, the DMV will be charged \$6.25 for each card issued. We believe there will be approximately 1,000 cards issued, the total cost to the DMV will be \$6,250. The DMV will incur programming costs which will be absorbed within existing appropriations.

We estimate the cards will be valid for two years therefore, the cost for these cards will be \$16.00 each. This will generate \$16,000 of revenue. The State General Fund would receive \$2,250, the DMV Cash Fund \$11,000 and County General Funds would receive the remaining \$2,750.

**AM1138**

This amendment will remove the allocation of Driver License, State Identification Cards, CDL's and 24/7 Permits from the State General Fund. The offset of this revenue will be an increase to the DMV Cash Fund. The Department issues approximately 550,000 documents per year, with the General Fund receiving \$4,300,000 in revenue during Fiscal Year 2022-23. There will not be an increase in revenue from this legislation, only a different allocation of the revenue collected.

**AM1207**

No Fiscal Impact

**AM1218**

No Fiscal Impact

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			306,250	
Travel.....				
Capital outlay.....				

Aid.....  
Capital improvements.....  
TOTAL.....

306,250	

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**2023**

**LB<sup>(1)</sup> 138 AM837, AM1138, AM1207, AM1218**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Transportation

Prepared by: <sup>(3)</sup> Liza Alderman Date Prepared: <sup>(4)</sup> 4/7/23 Phone: <sup>(5)</sup> 402-479-4692

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>	_____	_____	_____	_____
<b>CASH FUNDS</b>	\$1,972,069	_____	\$2,053,604	_____
<b>FEDERAL FUNDS</b>	_____	_____	_____	_____
<b>OTHER FUNDS</b>	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<u>\$1,972,069</u>	_____	<u>\$2,053,604</u>	_____

**Explanation of Estimate:**

LB138 as amended by AM 837 would allow for the issuance of an operator’s license or state identification card to any person assigned a parolee immigration status by the United States Department of Homeland Security given required criteria has been met.

LB138 as amended by AM1138 would change the allocation of revenues received from operators’ licenses, state identification cards, replacement ignition interlock permit, and replacement 24/7 sobriety program permit from the State General Fund to the Department of Motor Vehicles Cash Fund.

LB 138 as amended by AM 1207 provides clarification on the definition of a bicycle to include electric bicycles. In addition, based on different components of the bicycle, three classes of electric bicycles are established.

LB138 as amended by AM1218 would allow the Department of Transportation (NDOT) to budget for and pay any of the costs related to the administration of the Aeronautics Division, including but not limited to, employee salaries and benefits, out of the Highway Cash Fund, as the Director-State Engineer determines, in his or her sole discretion, to be in the best interest of transportation in Nebraska. In addition, NDOT shall have the powers, duties, and responsibilities to develop and administer a safety oversight program to oversee rail transit systems operated by the state, an interstate agency, or any political subdivision.

AM1218, as proposed, would revise the pledge amount for a county when applying for state aid in the replacement of any bridge from fifty percent of the bridge replacement cost to up to twenty percent of the cost of replacement of such bridge. In addition, the threshold requiring a formal sealed bid process would be updated for estimated costs greater than two hundred fifty thousand from one hundred thousand. NDOT would also be allowed to adjust the threshold amounts annually on October 1 by the percentage change in the Consumer Price Index for All Urban Consumers published by the United States Department of Labor, Bureau of Labor Statistics, at the close of the twelve-month period ending on August 31 of such year.

LB138 AM837, AM1138, and 1207 have no fiscal impact to the Department.

LB 138 AM1218 fiscal impact to the Department of Transportation, Roads Division, will be an increase in expenditures of \$1,972,069 in FY2023/24 and \$2,053,604 in FY2024/25. For the Department of Transportation, Aeronautics Division, a zero net change in expenditures will occur with local airports receiving additional funding of \$1,972,069 in FY2023/24 and \$2,053,604 in FY2024/25. NDOT anticipates the use of a consultant to develop the safety oversight program for rail transit systems as included in AM1218 and will engage the City of Omaha in a financial agreement to commit funds for the consultant expenditures. As such, no fiscal impact is anticipated to the department for the development of the safety oversight program. The proposed reduction in pledge amount for a county and the increased threshold for formal bid requirements as part of AM1218 are policy updates and have no fiscal impact for NDOT.

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

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**Personal Services:**

<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>		<b>2023-24</b>	<b>2024-25</b>
	<b><u>23-24</u></b>	<b><u>24-25</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
19 Aeronautics Employees			\$1,509,005	\$1,572,306
Benefits.....			\$463,064	\$481,298
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$1,972,069	\$2,053,604