

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 370 increases motor vehicle liability insurance limits and uninsured/underinsured limits. Proof of financial responsibility limits are likewise increased. The minimum liability limits are doubled from: \$25,000 to \$50,000 because of bodily injury or death to one person in an accident; \$50,000 to \$100,000 because of bodily injury or death to two or more persons in an accident; and \$25,000 to \$50,000 because of injury to or destruction of property of other persons in an accident.

Department of Insurance: The department indicates that any increase in policy form filings or enforcement of the bill's provisions can be handled with existing staff and resources of the agency. It is possible there may be a slight increase in premium taxes received by the department pursuant to the bill because higher liability limits may result in an increase in premiums. The amount of increase in revenue is projected to be small and will accrue to the General Fund, Mutual Assistance Fund, counties, cities and school districts.

Department of Administrative Services: DAS-Risk Management indicates the bill will likely increase the premium cost for an all lines policy that is purchased for auto coverage. The amount of increased premium cost is unknown. Risk Management assesses state agencies an annual charge for auto liability coverage for the agency's owned vehicles. It is possible, that an increase in premium costs due to the bill could result in an increase in the annual assessment for state agencies.

University of Nebraska: The University indicates the bill will not have a fiscal impact because the University is self-insured.

Political Subdivisions: An increase in liability limits for motor vehicle coverage will probably increase costs for auto insurance purchased by political subdivisions. The fiscal impact is unable to be determined.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 370	AM:	AGENCY/POLT. SUB: Nebraska Department of Insurance	
REVIEWED BY: Neil Sullivan		DATE: 1/25/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Nebraska Department of Insurance estimate of minimal fiscal impact from LB370.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 370	AM:	AGENCY/POLT. SUB: Department of Administrative Services	
REVIEWED BY: Neil Sullivan		DATE: 1/28/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Administrative Services estimate of indeterminate fiscal impact from LB 370. Concur that there will be an enterprise impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 370	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Lee Will		DATE: 1/22/2019	PHONE: (402) 471-4175
COMMENTS: Concur with the University of Nebraska's assessment of no fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 370	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles	
REVIEWED BY: Lee Will		DATE: 1/25/2019	PHONE: (402) 471-4175
COMMENTS: Concur with the Department of Motor Vehicles' assessment of no fiscal impact.			

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

2019

LB⁽¹⁾ 370

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 22, 2019 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2019

LB⁽¹⁾ 370

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Insurance

Prepared by: ⁽³⁾ Matt Holman Date Prepared: ⁽⁴⁾ 1/22/2019 Phone: ⁽⁵⁾ 402-471-4503

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

LB 370 amends minimum automobile liability insurance limits and uninsured/underinsured limits pursuant to Neb. Rev. Stat. §§ 44-6408 and the Motor Vehicle Safety Responsibility Act. Any increased policy rate and form filings or enforcement required by LB 370 will be handled by existing Department staff and resources. No impact on the Department's expenditures or revenues is expected. To the extent higher minimum limits result in higher premiums, a slight increase in premium tax revenues may be seen, however, the Department is unable to estimate any such change and expects any such change to be minimal if anything.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</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.

2019

LB⁽¹⁾ 370

FISCAL NOTE

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

Prepared by: ⁽³⁾ Shereece Dendy-Sanders Date Prepared: ⁽⁴⁾ January 20, 2019 Phone: ⁽⁵⁾ 402-471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

LB 370 seeks to increase the uninsured and underinsured motor vehicle limits to \$50,000 for bodily injury and \$100,000 for bodily injury of two or more persons.

The current limits are \$25,000 and \$50,000, respectively. There would be an increase in premium for the Department of Administrative Services (DAS) - Risk Management as a result of the increased limits in LB370.

The exact costs are unknown, as Risk Management is self-insured and also purchases an 'All Lines' policy that increases building, auto, crime and foster care coverage. Therefore, the cost for the specific auto coverage is unknown. However, additional premium costs are always expected for additional coverage.

DAS – Risk Management assess all agencies, boards and commission an annual auto liability insurance assessment for all the agency's owned vehicles. Any increases in program costs could result in an increase in the annual assessment. An increase in the auto liability assessment could also impact other DAS Divisions' rates, resulting in another enterprise wide impact. For example an increase in auto liability insurance costs to the DAS - Transportation Service Bureau (TSB) could result in the increase in the mileage rate charged to agencies leasing vehicles or accessing the TSB motor pool.

There is a fiscal impact, but the exact amount is unknown.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</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.

2019

LB⁽¹⁾ 370

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ January 18, 2019 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

The bill changes liability insurance and financial responsibility requirements (auto insurance limits), but would not fiscal impact on the University since we are self-insured.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____