

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	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.

LB111 establishes new directives for both insurance companies and their authorized representatives, when dealing with motor vehicle consumer care claim. The bill provides definitions for "consumer", "consumer care", "insurer", "nonoriginal equipment manufacturer" and "part" as they relate to motor vehicle repairs. This bill directs the following:

1. Insurers are prohibited from directly or indirectly requiring the use of non-original equipment manufacturer (non-OEM) parts which lack proper manufacturer identification;
2. Insurers shall not directly or indirectly compel that a non-OEM part be used, unless such part is at least equal in quality to the corresponding original equipment manufacturer (OEM) part in terms of fit and performance;
3. The accepting of estimates or authorizing of a repair using non-OEM parts shall not be made by an insurer until the consumer is advised that they are not required to accept any non-OEM part in the repair, and a written consumer consent to the use of a non-OEM part is obtained before the repair;
4. If consumers choose to use an OEM part over a non-OEM part, they shall not be required by an insurer to pay a price difference;
5. Preceding any repair being made with a non-OEM part, the insurer must provide a notice to the consumer in a 10-point font or larger, that a non-OEM part is to be installed on their motor vehicle;
6. Any non-OEM part must be clearly identified in the estimate;
7. In cases where a motor vehicle is less than 36 months old (from the date of manufacture) when damaged, insurers may not require the use of aftermarket parts in consumer care of the motor vehicle; and
8. When the motor vehicle is over 36 months old (from the manufacture date) at the time of damage, insurers are allowed to include aftermarket replacement parts (if equal in terms of fit, quality, performance, and warranty to OEM parts) in their estimates. This must be conspicuously disclosed in their written policy in a capitalized 10-point font and with no other policy language on that page.

Additionally, LB111 establishes that if any insurer violates this act, such violation would be considered a Class I misdemeanor.

The Nebraska Department of Motor Vehicles, the Nebraska Motor Vehicle Licensing Board, and the Nebraska Department of Insurance have all indicated no fiscal impact.

There is no basis to disagree.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 111	AM:	AGENCY/POLT. SUB: Department of Insurance
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REVIEWED BY: Ryan Walton	DATE: 1/16/2025	PHONE: (402) 471-4174
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COMMENTS: The Department of Insurance's assessment of no fiscal impact from LB 111, appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 111	AM:	AGENCY/POLT. SUB: Department of Motor Vehicles
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REVIEWED BY: Ryan Walton	DATE: 1/14/2025	PHONE: (402) 471-4174
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COMMENTS: The Department of Motor Vehicle's assessment of no fiscal impact from LB 111, appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 111	AM:	AGENCY/POLT. SUB: Motor Vehicle Licensing Board
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REVIEWED BY: Ryan Walton	DATE: 1/21/2025	PHONE: (402) 471-4174
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COMMENTS: The Motor Vehicle Licensing Board's assessment of no fiscal impact from LB 111, appears reasonable.

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

Prepared by: ⁽³⁾ Jordan Blades

Date Prepared: ⁽⁴⁾ 1/15/24

Phone: ⁽⁵⁾ 402-471-4638

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

The Department does not anticipate any fiscal impact at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name: ⁽²⁾ Motor Vehicle Industry Licensing Board

Prepared by: ⁽³⁾ Joshua Eickmeier

Date Prepared: ⁽⁴⁾ 1/17/25

Phone: ⁽⁵⁾ 402-471-2148

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:
No Fiscal Impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

Please complete ALL (5) blanks in the first three lines. 2025

LB⁽¹⁾ 111

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ January 13, 2025 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
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Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				