

Revised to reflect new information provided by agency.

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 | | \$8,835,446 | | \$8,823,604 |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | (\$53,679) | | (\$71,583) |
| TOTAL FUNDS | | \$8,781,767 | | \$8,752,021 |

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

LB398 as amended by AM765 and AM842; contains provisions of LB114 (as amended), LB134 (as amended), LB343, LB563 (as amended), and LB568 (as amended); and accomplishes the following:

- 1) Makes annual revisions to match state law to federal law references and regulations for the Nebraska Department of Motor Vehicles (DMV) and the Nebraska State Patrol (NSP) to avoid incompatibility with federal regulations by:
 - a) Harmonizing to federal statutory language;
 - b) Deleting obsolete language;
 - c) Changing certain civil penalties;
 - d) Updating commercial driver's license or CLP-commercial learner's permit release information, self-certifications, and medical exams/waiver language in statute; and
 - e) Adjusting the specified date which provisions refer to from January 1, 2024 to January 1, 2025.
- 2) Revises the Nebraska Motor Vehicle Registration Act definition of a commercial fertilizer trailer in Nebraska §60-302, to be a fertilizer trailer owned by any individual or business entity which for profit on a commercial basis, sells agricultural fertilizer or chemicals.
- 3) Increases fees for driver records and services provided under Nebraska §60-483 as follows:
 - a) Driver record monitoring service fees per record would go from \$.06 to \$.15; with \$.09 credited to the DMV Cash Fund and the remaining \$.06 split as follows: 41 2/3% to the DMV Cash Fund, 25% to the General Fund, and 33 1/3 % to the Nebraska Secretary of State (SOS) Records Management Cash Fund.
 - b) Driver record header information fees would increase from \$18.00 to \$30.00 for every 1,000 records; and the whole fee would be credited as follows: \$8.00 to the DMV Cash Fund, \$4.00 to the Operator's License Services System Replacement and Maintenance Fund, and 41 2/3% to the DMV Cash Fund, 25% to the General Fund, and 33 1/3 % to the SOS Records Management Cash Fund.
 - c) Driver record abstract fees would double from \$7.50 to \$15.00; with the additional \$7.50 to be credited to the DMV Cash Fund.
 - d) A certified abstract search of operating records will cost \$3.00 as before, however an additional fee specified the bill in §60-483 (8) will increase from \$4.50 to \$12.00 per record; with \$8.00 being credited to the DMV Cash Fund and \$4.00 to the Operator's License Services System Replacement and Maintenance Fund.
- 4) Increases fees for vehicle records provided under Nebraska §60-1506 as follows:
 - a) An extract of a registered or titled vehicle record fee would increase from \$1.00 to \$3.00; with the entire fee amount going to the License Plate Cash Fund.
 - b) An entire file extract of the DMV's registered or titled vehicles in Nebraska, would now be charged \$25.00 up from \$18.00, per 1,000 records prior to July 1, 2026. Then, this fee would increase to \$35 on July 1, 2026. The entire fee would continue to be credited to the DMV Cash Fund.

- c) Individual vehicle record fees would increase from \$1.00 to \$3.00; with the \$2.00 increase credited to the DMV License Plate Cash Fund, and the original \$1.00 fee to the SOS Records Management Cash Fund.
- d) Bulk vehicle record fees would remain the same \$50.00 fee (credited to the SOS Records Management Cash Fund) as prior to this bill, for under 2,000 records. However, the per 1,000 record fee, for any number of records over 2,000 records would increase as increase from \$18.00 to \$25.00 prior to July 1, 2026. Then, this fee would increase to \$35 on July 1, 2026. The fees would be credited as follows:
 - i) Prior to July 1, 2026, \$7.00 per 1,000 records for any number of records over 2,000 records, would be distributed to the License Plate Cash Fund and the remainder to the SOS Records Management Cash Fund.
 - ii) Beginning July 1, 2026, \$17.00 per 1,000 records for any number of records over 2,000 records, would be distributed to the License Plate Cash Fund and the remainder to the SOS Records Management Cash Fund.

The above act would become operative on July 1, 2025.

LB398 as amended revises the Nebraska Motor Vehicle Registration Act definition of a commercial fertilizer trailer in Nebraska §60-302, to be a fertilizer trailer owned by any individual or business entity which for profit on a commercial basis, sells agricultural fertilizer or chemicals.

Additionally, this bill:

- 1) Alters Nebraska §60-3,104 to add a new category of 'alternate license plates', which would be issued for:
 - a) Amateur radio station license plates;
 - b) Apportionable vehicle license plates;
 - c) Autocycle license plates;
 - d) Boat dealer license plates;
 - e) Bus license plates;
 - f) Commercial motor vehicle license plates;
 - g) Dealer or manufacturer license plates;
 - h) Disabled veteran license plates;
 - i) Farm truck license plates;
 - j) Farm truck with a gross weight of over 1,600 tons license plates;
 - k) Former military vehicle license plates;
 - l) Gold Star Family license plates;
 - m) Handicapped or disabled person license plates;
 - n) Historical vehicle license plates;
 - o) Local truck license plates;
 - p) Metropolitan utilities district license plates;
 - q) Military Honor Plates;
 - r) Minitruck license plates;
 - s) Motor vehicle license plates for those owned/operated by the state, counties, municipalities, or school districts;
 - t) Motorcycle license plates;
 - u) Nonresident owner 30-day license plates;
 - v) Organizational license plates;
 - w) Passenger car plates with a seating capacity of 10 or less, not used for hire, issued pursuant to §60-3,143 besides autocycles;
 - x) Passenger car plates with a seating capacity of 10 or less, used for hire, issued pursuant to §60-3,143 besides autocycles;
 - y) Pearl Harbor license plates;
 - z) Personal-use dealer license plates;
 - aa) Personalized message license plates for motor vehicles, trailers, and semitrailers, except those registered under §60-3,198, issued pursuant to §60-3,118 to §60-3,121;
 - bb) Prisoner of war license plates;
 - cc) Public power district license plates;
 - dd) Purple Heart license plates;
 - ee) Recreational vehicle license plates;
 - ff) Repossession license plates;
 - gg) Special interest motor vehicle license plates;
 - hh) Trailer plates for trailers owned/operated by the state, counties, municipalities, or school districts issued pursuant to §60-3,106;
 - ii) Trailer plates for trailers owned/operated by a metropolitan utilities district or public power district pursuant to §60-3,228;
 - jj) Trailer license plates issued pursuant to §60-3,100;
 - kk) Trailer license plates issued pursuant to §60-3,151;
 - ll) Trailers exempt pursuant to §60-3,108;

mm)Transporter license plates;

nn) Trucks or combinations of trucks, truck-tractors, or trailers which are not for hire and engaged in soil and water conservation work and used for the purpose of transporting pipe and equipment exclusively used by such contractors for soil and water conservation construction license plates issued pursuant to §60-3,149; and

oo) Well-boring apparatus and well-servicing equipment license plates issued pursuant to §60-3,109.

- 2) Changes Nebraska §60-3,253 and §60-3,254 to allow for the issuing of both alphanumeric 'alternate license plates' or personalized message 'alternate license plates'. The fees set for these 'alternate license plates' under the Motor Vehicle Registration Act are to be:
 - a) \$5 for an alphanumeric 'alternate license plate' to be credited to the designated recipient of the 'alternate license plate' fee pursuant to section 25 of this act; and
 - b) \$40 for a personalized message 'alternate license plate', with 25% credited to the DMV Cash Fund and 75% credited to the designated recipient of the 'alternate license plate' fee pursuant to section 25 of this act.
- 3) Allows the DMV to recoup the cost of manufacturing 'alternate license plates' if at any time the cost of manufacturing the plates exceeds the amount charge for the plates, by first crediting the additional cost to the Highway Trust Fund in an amount equal to the difference between the manufacturing cost and the amount charge, before crediting the designated recipient of the 'alternate license plate' fee.
- 4) Lists the new 'alternate license plates' available and designates their fee recipients as follows:
 - a) Beginning on January 1, 2026, the new Arbor Day Plates are created, with the designated recipient being the Home of Arbor Day Plate Cash Fund, to be administered by the Board of Regents of the University of Nebraska, used for the purposes of tree planting, garden making, community building and environmental education and outreach;
 - b) Breast Cancer Awareness Plates, with the designated recipient being the University of Nebraska Medical Center for the breast cancer navigator program;
 - c) Choose Life License Plates, with the designated recipient being the Health and Human Services Cash Fund to supplement federal funds available to the Department of Health and Human Services for the Temporary Assistance for Needy Families program, 42 U.S.C. 601 et seq.;
 - d) Czech Heritage Plates, with the designated recipient being the DMV Cash Fund;
 - e) Donate Life Plates, with the designated recipient being the Organ and Tissue Donor Awareness and Education Fund;
 - f) Down Syndrome Awareness Plates, with the designated recipient being the University of Nebraska Medical Center for the Down Syndrome Clinic;
 - g) Josh the Otter-Be Safe Around Water Plates, with the designated recipient being the Josh the Otter-Be Safe Around Water Cash Fund;
 - h) Mountain Lion Conservation Plates, with the designated recipient being the Game and Parks Commission Educational Fund;
 - i) Native American Cultural Awareness and History Plates, with the designated recipient being the Native American Scholarship and Leadership Fund;
 - j) Nebraska Cornhusker Spirit Plates (both alphanumeric and personalized), are charged a \$75 fee. with 60% credited to the DMV Cash Fund and 40% credited to the Highway Trust Fund;
 - k) Nebraska History Plates, with the designated recipient being the Support Nebraska History Cash Fund;
 - l) Pets for Vets Plates, with the designated recipient being the Pets for Vets Cash Fund;
 - m) Prostate Cancer Awareness Plates, with the designated recipient being the University of Nebraska Medical Center for the Nebraska Prostate Cancer Research Program;
 - n) Sammy's Superheroes Plates, with the designated recipient being the University of Nebraska Medical Center for pediatric cancer research;
 - o) Support the Arts Plates, with the designated recipient being the Support the Arts Cash Fund;
 - p) Support Our Troops Plates:
 - i) With the alphanumeric \$5 fee being credited to the Veterans Employment Program Fund; and
 - ii) With the personalized message \$70 fee being credited 25% to the DMV Cash Fund and 75% to the Veterans Employment Program Fund;
 - q) The Good Life Is Outside Plates, with the designated recipient being the Game and Parks State Park Improvement and Maintenance Fund, for the purpose of trail improvement and maintenance; and
 - r) Wildlife Conservation Plates, with the designated recipient being the Wildlife Conservation Fund.
- 5) Modifies Nebraska §60-3,104.01 and §60-3,104.02 by:
 - a) Changing the category of 'specialty' license plates to now be 'organizational' license plates, which would include: plates for farm trucks with a gross weight of over 1,600 tons or for a commercial motor vehicle registered for a gross weight of 5 tons or more (and directs the appropriate tonnage decal be affixed to the license plate);
 - b) Lowering the issuance/renewal fees for organizational plates from \$70, prior to October 1, 2025, to \$40 after (which would be a loss of revenue to both the DMV Cash Fund and the Highway Trust Fund); and
 - c) Removes language relating to 'specialty' plates, replacing it with 'organizational' plates.

- 6) Amends Nebraska §60-3,113, §60-3,122, §60-3,122.03, and §60-3,122.04 as follows:
- a) Directing the Nebraska Department of Motor Vehicles (DMV) to compile and maintain a registry of the names, addresses, and license numbers of people who obtain license plates with the internationally accepted wheelchair symbol and all those who obtain a handicapped or disabled parking permit;
 - b) Waives the fee for prisoner of war plates with valid application;
 - c) Beginning on January 1, 2026, the DMV may begin issuing these newly designed plates:
 - i) A United States Space Force plate to honor those who have served or are serving in the U.S. Space Force; and
 - ii) An Inherent Resolve Campaign Medal plate to recognize those service members who are serving, or have served, in Iraq, Syria, or contiguous waters or airspace on or after June 15, 2014;
 - d) Modifying the statutes related to military honor license plates, prisoner of war license plates, disabled veteran license plates, and Purple Heart license plates; for redesigned plates with the internationally accepted wheelchair symbol added for those whom apply and are found eligible, after January 1, 2026; and
 - e) Starting with January 1, 2026, allowing these Military Honor license plates to be issued to either the veterans who are permanently disabled or the trusts whose beneficiaries are veterans that are permanently disabled.
- 7) Alters Nebraska §60-3,124 by lowering the disability classification required to obtain a disabled veteran plate, from 100% disabled down to 10% or greater service-related disability, after January 1, 2026. Those who are determined to be qualified after providing proof of their certified permanent handicap or disability, may apply for a plate with the words 'disabled veteran' on the plate, and have the license plate fees waived on alphanumeric plates. While those requesting a personalized message disabled veteran license plates shall be charged only a \$40 fee for both new issuances and renewals (with no other license plate fee charged). This fee shall be remitted to the State Treasurer, then 75% shall be credited to the Nebraska Veteran Cemetery System Operation Fund, with the remaining 25% credited to the DMV Cash Fund. The disabled veteran plates can also be issued to a trust that owns a motor vehicle, trailer, or semitrailer who has applied for a disabled veteran plate where a designated beneficiary of the trust is proven to be a permanently disabled or handicapped veteran.
- 8) Revises Nebraska §60-3,125 related to Purple Heart license plates by stipulating the fee for alpha numeric plates will be waived, while the fee for personalized message Purple Heart plates shall be \$40 fee for both new issuances and renewals (with no other license plate fee charged). Then, starting on January 1, 2026, Purple Heart plates will include the words 'Purple Heart' and 'Combat Wounded', while also carrying the internationally accepted wheelchair symbol. The fee for this alphanumeric plate would be waived, while the new issuance and renewal fee for this personalized message plate would be \$40 (with no other license plate fee charged). The fees collected, will be remitted to the State Treasurer, with 75% credited to the Nebraska Veteran Cemetery System Operation Fund, and 25% credited to the DMV Cash Fund. On or after, January 1, 2026, a trust that owns a motor vehicle, trailer, or semitrailer may also apply for the Purple Heart license plates if a designated beneficiary of the trust is determined to be a proven applicant.
- 9) It will be the responsibility of the DMV to verify an applicant's eligibility using a registry which has been established by the Nebraska Department of Veteran's Affairs (NDVA) for these handicapped or disabled veteran and Purple Heart plates.
- 10) Modifies Nebraska §60-3,151 to allow the DMV to issue both permanent commercial fertilizer trailer license plates and a recreational vehicle plate based on gross weight, after January 1, 2026, for a \$1 fee. The permanent commercial fertilizer trailer license plates shall be affixed to the rear of the trailer. If the commercial fertilizer trailer was to change ownership, the plates would be invalid, and should be returned to the DMV. The fee for renewal or replacement for these plates and certificates would also be \$1. Recreational vehicles license plate fees will vary as follows:
- a) For recreational vehicles with a gross weight of 8,000 lbs. or less, the registration fee is \$18;
 - b) For recreational vehicles with a gross weight between 8,000 lbs. and 12,000 lbs., the fee is \$30; and
 - c) For recreational vehicles with a gross weight of 12,000 lbs. or more, there is a \$42 registration fee.
- 11) Additionally, this bill would modify Nebraska §74-1335 by:
- a) Adding a definition for a successor in interest to be:
 - i) An agent, successor, assignee, trustee, receiver, or other person acquiring interests or rights in railroad land;
 - ii) The owner or holder of any servient estate; or
 - iii) The owner or holder of any right of reversion to the railroad land;
 - b) Providing that railroads or their successors in interest, shall provide and keep in repair at least one adequate right-of-way crossing, for anyone owning land on both sides of the right-of-way;
 - c) Stipulating that if the interested landowner of both sides of the right-of-way does not consider the crossing to be adequate or safe, a written complaint can be filed with the Nebraska Department of Transportation (NDOT), who shall perform an investigation, and possibly require a correction to be made by the railroad or their successor in interest.

This provision of the bill would become operative 3 months after adjournment of this legislative session.

- 12) Amends Nebraska §75-369.03 to increase civil penalties imposed by the Superintendent of Law Enforcement and Public Safety against a motor carrier transporting persons or property in interstate commerce as follows:
- Increase the civil penalty to not exceed \$1,002 from the prior \$971, for any single violation in any proceeding or series of related proceedings against any person or motor carrier as defined in 49 C.F.R. 390.5 as adopted in §75-363;
 - Increase the civil penalty to not exceed \$20,017 from the prior \$19,389, for a violation of subdivision (2)(e) of §60-4,162, based upon a conviction of such a violation;
 - Increase the civil penalty to not exceed \$3,861 from \$3,740, for operating in violation of an out-of-service order for first violations;
 - Increase the civil penalty to not exceed \$7,723 for operating in violation of an out-of-service order for subsequent violations; and
 - If the operator knew they were violating an out-of-service order, this penalty increases to not less than \$6,974 dollars and not more than \$38,612 per violation.

This bill contains an emergency clause.

Expenditures:

The DMV stated that both programmatic and testing expenditures related to all these license plates can be absorbed by the agency's current appropriation in Program 70. Additionally, in Program 90, the agency has determined that the cost of all new license plates produced from this bill, can be absorbed within existing agency's appropriation.

Revenues:

This bill would have numerous revenue changes associated with changes in the distribution of fees as follows:

- Changing the Driver Record Abstract (\$7.50 up to \$15.00), with an estimated 950,000 sold during each fiscal year, would increase revenues with the additional \$7.50 credited to the DMV Cash Fund totaling \$7,125,000 each year of the biennium.
- Increasing the Driver Record Monitoring Service fees per record (\$.06 per operating record to \$.15, with the \$.09 increase all going to the DMV Cash Fund) would generate an estimated \$787,500 cash funding each year of the biennium for the DMV Cash Fund.
- The Driver Record Header Information fees (increased from \$18 per 1,000 records to \$30), would generate an additional \$8.00 to the DMV Cash Fund and \$4.00 to the Operator's License Services System Replacement and Maintenance Fund. The total increase in revenues to the DMV in the amount of \$19,000, with \$12,667 credited to the DMV Cash Fund, and \$6,333 credited to the Operator's License Services System Replacement and Maintenance Fund.
- Individual Vehicle Record search fee increases (from \$1.00 to \$3.00) would generate an additional \$1,000,000 in cash funding each year of the biennium. Currently, the \$1.00 fee equates to a \$175,000 credited to the DMV Cash Fund. The new statute language would instead move all of the \$1,175,000 credit for these records to the DMV License Plate Cash Fund, each year of the biennium. Thus, the DMV Cash Fund would lose (\$175,000) each year.
- The Bulk Record fee per 1,000 Vehicle Records will be increased (from \$18 to \$25 per thousand in FY2025-26), with the increase estimated to be \$130,625 per year in cash funding, with the increase only to be credited to the DMV Cash Fund, with the original fee portion not being diverted from the Secretary of State.
- The Bulk Record fee per 1,000 Vehicle Records will be increased (from \$25 to \$35 per thousand in FY2026-27), with the increase estimated to be \$182,875 per year in cash funding each year of the biennium. The increased amount only of this fee is to be credited to the DMV Cash Fund, with the original fee portion not being diverted from the Secretary of State.

| Estimated Revenue Changes from Fees Above | | |
|---|-------------|-------------|
| | FY2025-26 | FY2026-27 |
| DMV Cash Fund | \$7,880,792 | \$7,933,042 |
| DMV Operator's License Services System Replacement and Maintenance Fund | \$6,333 | \$6,333 |
| DMV License Plate Cash Fund | \$1,175,000 | \$1,175,000 |
| Total DMV Revenue | \$9,062,125 | \$9,114,375 |

LB398 would also lower the fees charged for organizational plates from \$70 to \$40. This \$30 reduction in fees would result in a lower amount of revenue collected, currently \$894,787 per year. Estimates provided by the DMV, show that a full fiscal year revenue loss would be (\$383,479), which would be experienced in the 2nd year of the biennium, FY2026-27. In the 1st year of the biennium, FY2025-26, there would be a ¾ year revenue loss due to the effective date of the bill, which would equate to a (\$287,608) cash fund revenue loss. This loss of revenue would be split between the DMV Cash Fund (60%) and the Highway Trust Fund (40%). With the Highway Trust Fund loss further split between the NDOT Highway Cash fund (53 1/3%) and the Highway Allocation Fund (46 2/3%) which is distributed to the cities and counties of Nebraska. Note- the revenue loss to cities/counties is in the "Other Funds" column on page 1.

During FY2025-26 and FY2026-27 and subsequent years, the NDOT would consider this revenue loss during the motor fuels tax setting and adjust the variable rate as necessary to generate the revenue needed to match the NDOT's Highway Cash Fund appropriation set by the Legislature. This loss of revenue is shown below:

| Estimated Revenue Loss from Organizational Plate Fee Lowering by \$30 | | |
|---|-------------|-------------|
| | FY2025-26 | FY2026-27 |
| DMV Cash Fund | (\$172,565) | (\$230,087) |
| Highway Cash Fund (NDOT) | (\$61,364) | (\$81,809) |
| Highway Allocation Fund (cities and counties) | (\$53,679) | (\$71,583) |
| Total Revenue Loss | (\$287,608) | (\$383,479) |

LB398 as amended would have a revenue increase from the issuance of Disabled Veteran License plates, estimated to be \$500 cash fund revenue in FY2025-26 and \$500 cash fund revenue in FY2026-27, for the NDVA Veteran Cemetery Fund.

In addition, there would be a fiscal impact related to revenue for the new Arbor Day Plates (using the DMV estimates of 1,000 sets of plates sold each year) and the effective date of January 1, 2026. 500 sets are estimated to be sold in the 1st year. Based on the DMV's historical averages, 75% of the plates sold are expected to be numeric plates (\$5 ea.) and 25% to be message plates (\$40 ea.).

In FY2025-26, of the 500 sets to be sold, 375 would be numeric plates (\$5 ea.) which would be a revenue increase of \$1,875 all credited to the Home of Arbor Day Cash Fund. The remaining 125 would be message plates (\$40 ea.) which would bring in \$5,000 in cash fund revenue. This would mean \$1,250 would go to the DMV Cash Fund and \$4,500 to the Home of Arbor Day Cash Fund, for a total revenue increase of \$6,875 in FY2025-26.

In FY2026-27, of the 1,000 sets to be sold plus 500 renewal plates: 1,125 sold would be numeric plates (750 new plus 375 renewals) (\$5 x 1,125) which would be a revenue increase of \$5,625 to the Home of Arbor Day Plate Cash Fund. The remaining, 375 message plates (250 new plus 125 renewal) (\$40 x 375) would bring in \$15,000 in revenue, split \$3,750 to the DMV Cash Fund and \$11,250 to the Home of Arbor Day Cash Fund.

| Estimated Revenue Increases from Arbor Day Plates | | |
|---|-----------|-----------|
| | FY2025-26 | FY2026-27 |
| Numeric Plate fee to Arbor Day Cash Fund | \$1,875 | \$5,625 |
| Message Plate fee to DMV Cash Fund (25%) | \$1,125 | \$3,750 |
| Message Plate fee to Arbor Day Cash Fund (75%) | \$3,750 | \$11,250 |
| Total Arbor Day Plate Revenue | \$6,750 | \$20,625 |

Note- there are some fee increases not addressed above which may increase revenues by an unknown indeterminate amount.

The LFO made calculation adjustments to the DMV's fiscal impact due to some calculation inaccuracies, plus changes to fund distribution that were not addressed on the fiscal note submitted for the amended version of the bill. Additionally, the LFO made a minor calculation adjustment to the NDOT's fiscal impact estimation of the Highway Trust Fund distribution for one fiscal year. These adjustments were done to the revenues, and were minor.

The University of Nebraska has stated that as they may incur minimal expenses during the awarding of grants to the Nebraska Statewide Arboretum as a result of this bill. These expenditures can be absorbed by the University's current appropriation.

The Nebraska Game and Parks Commission (NGPC), the Nebraska Secretary of State (SOS), and the Nebraska Department of Veteran's Affairs (NDVA) have all indicated no fiscal impact.

There is no basis to disagree with these estimations of fiscal impact by the NGPC, SOS, and the NDVA.

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LB⁽¹⁾ 398 AM 842 AM 765 - REVISED

FISCAL NOTE

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

Prepared by: ⁽³⁾ Bart Moore Date Prepared: ⁽⁴⁾ April 24, 2025 Phone: ⁽⁵⁾ 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2025-26</u> | | <u>FY 2026-27</u> | |
|---------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | 8,609,326 | | 8,925,270 |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | (477,397) | | (112,391) |
| TOTAL FUNDS | | 8,131,929 | | 8,812,879 |

Explanation of Estimate:

LB 114: This legislation has four fee increases that will have a fiscal impact. First, changing the Driver Record Abstract from \$7.50 to \$15.00, with the increase in revenue being credited to the Department of Motor Vehicles (DMV) Cash Fund. The Department estimates that 950,000 Driver Records will be sold during each fiscal year. Second, the Monitoring Service Fee will be increased from \$0.06 per operating record to \$0.15 per record. This \$0.09 increase will all be credited to the DMV Cash Fund. This increase will generate an estimated \$787,500 per fiscal year. Third, Driver Record Header Information fees will be increased from \$18 per 1,000 records to \$30 per 1,000 records. This will generate an estimated \$19,000 in revenue to the DMV Cash Fund per fiscal year. The last fee increase will be for Vehicle Records. There are two different fees associated with this increase. First, the individual record search will increase from \$1.00 to \$3.00. This fee increase will generate an estimated \$1,000,000 each fiscal year. The new rate will all be credited to the DMV License Plate Cash Fund of \$1,175,000. Currently, the DMV Cash Fund is credited for the DMV portion of the \$1 fee. This will result in a loss of revenue to the DMV Cash Fund of \$175,000 per fiscal year. The fee for records requested over 1,000 will be increased from \$18 per thousand, to \$25 in Fiscal Year 2025-26 and \$35 per thousand in Fiscal Year 2026-27. The total amount of revenue generated from these increases will be estimated to be \$130,625 for Fiscal Year 2025-26 and \$182,875 for Fiscal Year 2026-27. The effective date of this legislation is July 1, 2025.

The net breakdown of for each funding source for each fiscal year is as follows:

| | |
|-----------------------------|---------------------------|
| DMV Cash Fund | \$7,887,125 & \$7,939,357 |
| DMV License Plate Cash Fund | \$1,175,000 & \$1,175,000 |

LB134, LB 343 & LB563 were amended into LB 568 thru AM 269: The Department will have minimal programming changes the cost will be absorbed within existing appropriations.

The Department will have additional license plates to produce that will have an impact to **Program 090 – License Plates** and the License Plate Cash fund. The first fiscal year there will be an additional 2,650 sets of plates that need to be produced (1,400 sets are due to the redesign and reissue of DAV plates that will be a one fiscal year cost and not a continuing additional cost). Each additional year will require an additional 1,250 sets of plates be produced. Each set of plates currently cost the Department \$7.70. The cost of producing license plates will be absorbed within existing appropriations.

There will be an increase in revenue to the Veteran Cemetery fund of \$500 per year

This legislation reduces the fee for Organization Plates from \$70 to \$40 effective October 1, 2025. Total revenue collected from Specialty Plates is \$894,787 per fiscal year. The reduced price to \$40 will result in a

loss of revenue to the DMV Cash Fund and to the Highway Trust Fund. The department estimates that a full fiscal year revenue loss will be \$383,479. The amounts shown for Fiscal Year 2025-26 above represent ¾ of a fiscal year total.

FY 2025-26 Revenue for plate fees \$41,000 Highway Trust. FY2026-27 Revenue for plate fees \$41,000 Highway Trust.

There will also be limited programming changes that will be absorbed within existing appropriations.

Program 090 License Plates – An additional 10,000 plates will need to be produced at a cost to the Department of \$3.87 each, for a total of \$38,700 each fiscal year. The cost of this will be absorbed within existing appropriations.

Effective date of January 1, 2026 – **Arbor Day License Plates**

Program 070

There will be 80 hours of Programming and Testing for this new plate that can be absorbed within existing DMV appropriation.

History has shown that 1000 sets of these plates will be sold every fiscal year. Due to the effective date of January 1, 2026, we estimate 500 sets of plates will be sold during the first fiscal year. In addition, history has shown that 75% of the plates sold are Numeric plates and 25% are Message plates.

FY25-26 Revenue 500 sets sold – 375 Numeric plates at \$5 each will be credited to the Home of Arbor Day Plate Cash Fund = \$1,750 and 125 Message plates at \$40 will be credited \$1,500 to the DMV Cash Fund and \$4,500 to the Home of Arbor Day Cash Fund = \$6,875.

FY26-27 Revenue 1000 sets sold and 500 renewals – 750 Numeric plates sold plus 375 Renewals at \$5 each = \$5,500 will be credited to the Home of Arbor Day Cash Fund and 250 sets Message plate sold and 125 renewals = \$20,650, \$1 will be credited to the Home of Arbor Day Cash Fund and \$3,750 will be credited to the DMV Cash Fund = \$20,625.

Program 090

500 sets (1000 plates) at \$4.10 = \$4,100 FY 25-26 and 1000 sets (2000 plates) at \$4.10 = \$8,200 FY 21-22. The cost of license plate production will be absorbed within existing appropriations.

Original LB398 – No Fiscal Impact

Revenue loss as noted in the “Other Funds” is to the Highway Trust Fund.

Program 090 – The cost of all license plates produced will be absorbed within existing agency appropriations.

AM765 – No Fiscal Impact

| <u>BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE</u> | | | | |
|---|-----------------------------------|---------------------|----------------------------|----------------------------|
| <u>Personal Services:</u> | | | | |
| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2025-26</u> | <u>2026-27</u> |
| | <u>25-26</u> | <u>26-27</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.

2025

LB ⁽¹⁾ 0398 Adopt updates to federal law relating to motor vehicles and motor
AM842 carriers and change provisions relating to commercial driver#s licenses
and CLP-commercial learner#s permits

FISCAL NOTE

State Agency OR Political Subdivision Name:⁽²⁾ University of Nebraska System
Prepared by:⁽³⁾ Anne Barnes Date Prepared:⁽⁴⁾ 04/15/2025 Phone:⁽⁵⁾ (402) 559-6300

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025 - 26 | | FY 2026 - 27 | |
|---------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| CASH FUNDS | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| FEDERAL FUNDS | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| OTHER FUNDS | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| TOTAL FUNDS | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |

Explanation of Estimate:

Nominal Fiscal Impact. AM842 appears to amend LB568 into LB398.

LB398, if passed, would now create the Home of Arbor Day Plate Cash Fund, which would be administered by the Board of Regents of the University of Nebraska with the sole purpose of awarding grants to the Nebraska Statewide Arboretum.

The Nebraska Statewide Arboretum was founded by the university, but is an independent 501c3. There may be slight financial costs related to the process of administering the fund.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2025 - 26</u> | <u>2026 - 27</u> |
|---------------------------|----------------------------|----------------|---------------------|---------------------|
| | <u>25 - 26</u> | <u>26 - 27</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| | <u>0</u> | <u>0</u> | | |
| | <u>0</u> | <u>0</u> | | |
| Benefits..... | | | | |
| Operating..... | | | | |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | | |

2025

FISCAL NOTE

Prepared by: ⁽³⁾ Christina Peters Date Prepared: ⁽⁴⁾ April 10, 2025 Phone: ⁽⁵⁾ (402) 471-5403

FY 2025-26**FY 2026-27**

REVENUE

REVENUE

AM 765 The proposed bill as amended makes updates to Motor Vehicle code for State Patrol and Department of Motor Vehicles as required by federal regulations and provides duties for the successor in interest a railroad, specifically providing for a safe crossing of such right-of-way for landowners with land on both sides of the rail.

AM 842 The proposed bill as amended makes updates to Motor Vehicle code for State Patrol and Department of Motor Vehicles as required by federal regulations and reorganizes the statutes applicable to a variety of license plates, including four that direct revenues to Game and Park managed funds. A category of alternate license plates is created to apply to several available license plate options.

The original individual statutes that apply to the Josh the Otter plates, Good Life is Outside plates, Wildlife Conservation plates and Mountain Lion Conservation plates would be consolidated into Section 35 of this amendment. The amount of revenue derived from the sales of each plate and the funds the revenues are directed to does not change.

There is no fiscal impact to the Nebraska Game and Parks.

Personal Services:

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⁾ 398 AM 765 & AM 842

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Secretary of State

Prepared by: ⁽³⁾ Joan Arnold Date Prepared: ⁽⁴⁾ 4/11/25 Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2025-26</u> | | <u>FY 2026-27</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:

It is our understanding that the changes to driver and vehicle record fees in AM842 (Sections 38 and 52) are not intended to change the portion of those fees going to the Records Management Cash Fund. We also understand that the DMV does not expect these fee changes to have an impact on the amount of records purchased. As such, we do not anticipate a fiscal impact to the Records Management Cash Fund as a result of this proposed legislation.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2025-26</u> | <u>2026-27</u> |
|------------------------------|-----------------------------------|---------------------|----------------------------|----------------------------|
| | <u>25-26</u> | <u>26-27</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.

2025

LB⁽¹⁾ 398 AM765 and AM842

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Veterans Affairs (NDVA)

Prepared by: ⁽³⁾ Nicole S Zimmermann Date Prepared: ⁽⁴⁾ 4/10/2025 Phone: ⁽⁵⁾ 531-220-1433

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:

LB 398 AM765 no fiscal impact.
LB 398 AM842 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⁾ LB398 AM765 & AM842

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 4/10/2025 Phone: ⁽⁵⁾ 402-479-4691

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2025-26</u> | | <u>FY 2026-27</u> |
|---------------|---------------------|----------------|---------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> |
| | | | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ |
| CASH FUNDS | _____ | (\$61,356) | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ |
| OTHER FUNDS | _____ | (\$53,687) | _____ |
| TOTAL FUNDS | ===== | (\$115,043) | ===== |

Explanation of Estimate:

LB398 AM765 adds successor in interest to accommodate landowners of a parcel of land which is bisected by the railroad if the railroad right of way is no longer owned by the railroad. A successor in interest is defined as any agent, successor, assignee, trustee, receiver, or other person acquiring interests or rights in railroad land, including the owner or holder of any servient estate or right of reversion relating to the railroad.

LB398 AM842 alters specialty plates to organizational plates and changes the fee for specialty plates from seventy dollars to forty dollars beginning October 1, 2025.

AM842 also separates commercial fertilizer trailers in section 60-3, 151 and requires a permanent trailer license plate for commercial fertilizer trailer owners beginning January 1, 2026. A one dollar fee will be assessed when the trailer is initially registered, and the plate will remain attached to the trailer as long as the original applicant owns the trailer.

In addition, AM842 requires the Department of Motor Vehicles (DMV) to issue eighteen alternative license plates. Seventeen of the eighteen plates are reclassified as alternative plates with the addition of the Arbor Day Plate. The amendment would also require the DMV to provide an option of a personalized message license plates for the Purple Heart license plate and disabled veteran license plate. A fee of \$40 would be collected with 25% deposited to the Motor Vehicle Cash fund and 75% deposited to the Nebraska Veteran Cemetery System Operation Fund.

If enacted, the Nebraska Department of Motor Vehicles estimates a decrease in tax revenue for the fee change on organizational plates of \$115,043 in FY2025-26 and \$154,391 in FY2026-27 to the Highway Trust Fund which is split between the Nebraska Department of Transportation, cities, and counties.

| Revenue to Highway Trust Fund | | |
|---|-------------|-------------|
| | FY2025-26 | FY2026-27 |
| Highway Cash Fund (NDOT) | (\$61,356) | (\$82,342) |
| Highway Allocation Fund (cities and counties) | (\$53,687) | (\$72,049) |
| Total | (\$115,043) | (\$154,391) |

During FY2025-26 and FY2026-27 and subsequent years, NDOT would consider the decrease in revenue to the Highway Trust fund during the motor fuels tax setting and adjust the variable rate accordingly to generate revenue based on NDOT's Highway Cash Fund appropriation set by the Legislature.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2025-26</u> | <u>2026-27</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>25-26</u> | <u>26-27</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| | | | | |
| | | | | |
| Benefits..... | | | | |
| Operating..... | | | | |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | | |