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DATE PREPARED: February 06, 2025  
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**LB 667**

Revision: 00

# 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.**

LB667 amends Nebraska's Motor Vehicle Industry Regulation Act §60-1438 as it relates to compensation franchisors are to pay new motor vehicle dealers (franchisees) for diagnostic work and parts performed during warranty repairs as follows:

1. Compensation for work or service performed by qualified technicians during warranty repairs shall include a an "adequate" amount of time allowance for the work, instead of a "reasonable" amount of time for diagnostic work;
2. Franchisors cannot unreasonably deny written requests from franchisees for modifications made to the uniform time allowance for a specific warranty repair;
3. Franchisors cannot unreasonably deny a request submitted by a franchisee for an additional time allowance for diagnostic or repair work on a specific vehicle covered under warranty;
4. The request from the franchisee shall include information and documentation reasonably necessary to assess the merits of the request;
5. The bill specifies that the prevailing wage rates for labor compensation shall not be based on maintenance services compensation such as oil/filter changes, fluid changes, brakes, spark plugs, wiper blades, and tire replacement work ;
6. If the franchisor denies a request, the franchisee may file a complaint with the Motor Vehicle Industry Licensing Board (MVILB) and the manufacturer will have the burden of proof to show that the denial was made pursuant to the Motor Vehicle Industry Regulation Act;
7. If the MVILB determines the denial was made in violation of the act, then the franchisor will be subject to enforcement procedures;
8. Compensation for parts should be based on the dealer's cost plus markup, while excluding maintenance services such as oil/filter changes, fluid changes, brakes, spark plugs, wiper blades, and tire replacement work from the calculation of average percentage markup;
9. When a franchisor provides parts at no cost for warranty work, they must compensate the dealer based on the dealer's cost plus markup, multiplied by the fair wholesale value of such part; and
10. For the purposes of determining the fair wholesale value of a warranty part, the bill specifies it to be the greatest value of either:
  - a. the amount the dealer paid for the part;
  - b. the cost of the part at the time it was furnished in a price schedule of the franchisor; or
  - c. the cost of a substantially identical part at the time it was furnished in a price schedule of the franchisor.

The Nebraska Motor Vehicle Licensing Board (MVILB) has indicated there would be no fiscal impact to their board.

There is no basis to disagree with the MVILB's assessment of no fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 667	AM:	AGENCY/POLT. SUB: Motor Vehicle Industry Licensing Board	
REVIEWED BY: Joe Massey		DATE: 1/30/2025	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Motor Vehicle Industry Licensing Board assessment of no fiscal impact from LB 667.			

State Agency OR Political Subdivision Name: <sup>(2)</sup> Motor Vehicle Industry Licensing Board

Prepared by: <sup>(3)</sup> Joshua Eickmeier

Date Prepared: <sup>(4)</sup> 1/27/25

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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.....				