

Revised to reflect AM292, FA33, and AM507.

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		\$1,000		\$1,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$1,000		\$1,000

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

LB97 as amended by AM292, FA33, and AM507 contains provisions of LB225, LB279, and LB543 and achieves the following:

- 1) Instructs the courts not to defer judgment when a CDL or CLP driver receives a conviction, if a deferral might mask the conviction, leading to noncompliance with federal law;
- 2) Amends the definition of a amphibious vehicle under the State Boat Act;
- 3) Modifies the definitions of both a junk vehicle and a minibike under the Motor Vehicle Certificate of Title Act;
- 4) Exempts fertilizer trailers from the Motor Vehicle Certificate of Title Act;
- 5) Changes the application requirements related to duplicate certificates of title;
- 6) Removes the requirement that the application for a duplicate certificate of title for motor vehicles that have been lost or mutilated titles be notarized;
- 7) Eliminates a United States Government Certificate of to Obtain Title to a Vehicle as a means to exempt out of the requirement that applications for certificate of title need an identification inspection;
- 8) Permits the Department of Motor Vehicles (DMV) to charge a \$10 fee (remitted to the State Treasurer for credit to the DMV Cash Fund) for conducting a vehicle identification inspection, except that the fee is waived when a U.S. Government Certificate to Obtain Title is presented;
- 9) Stipulates that applicants must now inform any holders of secured interest in the vehicle via a written notice and must present such notice/responses before receiving a bonded certificate of title from the DMV;
- 10) Allows the DMV to issue multi-year vehicle registrations of 2 and 3 years, in addition to the current 1 year registration, effective on or before January 1, 2029;
- 11) Permits the DMV to deliver license plates and registration certificates via the mail or an alternate shipping method, effective on or before January 1, 2029;
- 12) Beginning with the 2029 license plate issuance cycle, the accrued plate fees will start being credited to the License Plate Cash Fund, instead of first going to the Highway Trust Fund;
- 13) Increases the maximum cost allowed for license plates and validation decals to \$8.00;
- 14) Amends statutes to allow for only one license plate to be issued for every motor vehicle or trailer, on or after January 1, 2029;
- 15) Provides for the ability to accept another state's order for issuance of an Ignition Interlock Permit, beginning January 1, 2026;
- 16) Changes telephone numbers and email addresses from being under the definition of personal information, to instead be considered under the definition of sensitive personal information; and
- 17) Removes language stating that Motor Carrier Services fees shall be remitted to the State Treasurer before being credited to the Motor Carrier Services Division Distributive Fund.

This bill has an emergency clause with many specific effective dates for different provisions included.

Revenues:

This bill has the potential to affect the timing of revenues received by the state, if registrants choose to register their vehicles for more than one year at a time. Additionally, there would likely be programmatic and other administrative expenditures associated with the implementation of this bill. However, as some provisions of this bill would not be effective until the 2029 plate issuance cycle, many adjustments to expenditures and revenues would not fall under the FY2025-27 biennium. Agencies would need to address these possible changes to expenditures or revenues in the next budget submission cycle for the FY2027-29 biennium.

The DMV anticipates this amended bill would likely generate \$1,000 in cash funds in FY2025-26 and \$1,000 in cash funds in FY2026-27 credited to the DMV Cash Fund, from an estimated 100 identification inspections which would be conducted each fiscal year.

The Nebraska Department of Transportation (NDOT) has stated the fiscal impact of multi-year registrations is indeterminate at this time due to the unknown implementation date. The multi-year registration implementation date will be designated by the Director of the DMV. Also, the number of people who may seek multi-year registration is unknown. It can be determined however, that there would likely be revenue fluctuations to both the Highway Trust Fund and the Recreation Road Fund. To account for the fluctuations in revenue to the Highway Trust Fund, NDOT would consider this revenue change during the motor fuels tax rate setting process. NDOT would make adjustments to the variable tax rate accordingly. Additionally, the change in revenue to the Highway Trust Fund would also affect the Highway Allocation Fund, which is shared by cities and counties. Any changes in revenue to the Recreation Road Fund could impact the timing of project letting, due to possible fluctuation in revenue to cover expenditures.

The NDOT assumed for the purposes of their fiscal impact, that the DMV would have fully implemented print on demand license plates and decals, prior to the 2029 license plate issuance cycle. Hence, there would be no longer be a transfer of funds from the Highway Trust Fund to cover the license plate and decal production. As a result, shifting the credit of the license plate fees collected to the License Plate Cash Fund would have a minimal impact to NDOT, cities, and counties which currently share the Highway Trust Fund revenues.

The Lancaster County Treasurer has specified no fiscal impact for the FY25-27 biennium. However, they noted that in the following biennium as the DMV would be allowed to process online registrations, they would anticipate a significant loss of income to the county at that time. Currently, the counties receive a 1% commission fee for processing registrations. In 2024, this equated to \$532,148 for Lancaster County.

The Nebraska Association of County Officials (NACO) has indicated after 2029, counties would recognize a minimal savings in storage costs and handling of license plates.

The Lancaster County Sheriff's Office has stated no fiscal impact.

There is no basis to disagree with these estimations of fiscal impact based on the assumptions used by the DMV, NDOT, the Lancaster County Treasurer, NACO, nor the Lancaster County Sheriff's Office.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 97	AM: 292, 507, FA33	AGENCY/POLT. SUB: Nebraska Department of Motor Vehicles	
REVIEWED BY: Joe Massey		DATE: 3/18/2025	PHONE: (402) 471-4181
COMMENTS: Concur with the Nebraska Department of Motor Vehicles assessment of no fiscal impact from LB 97 AM292, AM507, FA33.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 97	AM: 292, 507, FA33	AGENCY/POLT. SUB: Lancaster County Treasurer	
REVIEWED BY: Joe Massey		DATE: 3/18/2025	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Lancaster County Treasurer assessment of no current fiscal impact from LB 97, AM 292, 507, FA33. There is potential for future fiscal impact in 2029 when the shift to the State Department of Motor Vehicles occurs			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 97	AM: 292, 507, FA33	AGENCY/POLT. SUB: Lancaster County Sheriff's Office	
REVIEWED BY: Joe Massey		DATE: 3/18/2025	PHONE: (402) 471-4181
COMMENTS: No basis to disagree with the Lancaster County Sheriff's Office assessment of no fiscal impact from LB 97 AM292, AM507, FA33.			

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Sheriff's Office

Prepared by: ⁽³⁾ Chief Deputy Ben Houchin Date Prepared: ⁽⁴⁾ 03/17/2025 Phone: ⁽⁵⁾ 402-441-6500

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Explanation of Estimate:
The LB will not make the Lancaster County Sheriff's Office to have expenditures or revenue

<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.....				

2025

FISCAL NOTE

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 3/14/2025 Phone: ⁽⁵⁾ 402.434.5660

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

LB97, AM292 is designed to clean up legislation. Added within the amendment are provisions of LB543. FA33 modifies the amount of fees for the cost of license plates with such fee going to the State. No fiscal impact as a result of this amendment.

AM507 would become applicable on and after January 1, 2029. It would add a new subsection that one license plate shall be issued for every registered motor vehicle or trailer. Counties would recognize minimal savings in costs related to storage and handling of plates.

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	<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⁾ 97 AM292, FA33, AM507

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jenessa Boynton Date Prepared: ⁽⁴⁾ 3/17/2025 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	<u> </u>	<u> </u>	<u> </u>	<u> </u>
CASH FUNDS	<u> </u>	<u>See below</u>	<u> </u>	<u>See below</u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u>See below</u>	<u> </u>	<u>See below</u>
TOTAL FUNDS	<u> </u>	<u>See below</u>	<u> </u>	<u>See below</u>

Explanation of Estimate:

LB97 as amended by AM292 applies to the Department of Transportation (NDOT) by allowing a person to opt to register for an annual period or a multiyear period of two or three years beginning on an implementation date designated by the DMV director on or before January 1, 2029. At the time of registration all fees provided in sections 60-3,141 and 60-3,156 would be paid. In addition, beginning with the 2029 license plate issuance cycle, all fees collected under Neb. Rev. Stat. § 60-3,102 will be credited to the License Plate Cash Fund instead of to the Highway Trust Fund.

LB97 AM292 as amended by FA33 would amend Neb. Rev. Stat. § 60-3,102 to change the maximum cost allowed for license plate and validation decals from four dollars and twenty-five cents to eight dollars.

LB97 AM292 as amended by AM507 would change from a two plate issuance for every motor vehicle or trailer to a one plate issuance on or after January 1, 2029.

The fiscal impact of LB97 AM292 for a multiyear registration is indeterminate due to the unknown implementation date to be designated by the Director of the Department of Motor Vehicles (DMV) and the unknown number of persons who may seek a multiyear registration. If enacted, revenue fluctuations to the Highway Trust Fund and Recreation Road Fund may occur from year to year due to the multiyear registration. To account for the fluctuations in revenue to the Highway Trust Fund, NDOT would consider the change in revenue to the Highway Trust fund during the motor fuels tax setting and adjust the variable rate accordingly to generate revenue based on the Highway Cash Fund appropriation set by the Legislature. The change in revenue to the Highway Trust Fund also affects the Highway Allocation Fund, which is shared by cities and counties. For the Recreation Road Fund, letting of projects could be impacted due to possible fluctuation in revenue to cover expenditures.

It is assumed for purposes of this fiscal note the DMV will have fully implemented print on demand license plates and decals prior to the 2029 license plate issuance cycle resulting in no transfer of funds from the Highway Trust Fund to cover the license plate and decal production. As a result, shifting the credit of the license plate fees collected to the License Plate Cash Fund is determined to have minimal impact to NDOT, cities, and counties which share the Highway Trust Fund revenues.

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.....				

2025

FISCAL NOTE

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

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	_____	_____	_____	_____
CASH FUNDS	_____	1,000	_____	1,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	1,000	_____	1,000

Sec. 13 (1) (3) – Amends Section 60-158 – The Department estimates 100 if these identification inspections will be conducted each fiscal year. This will generate \$1,000 of revenue for the DMV Cash Fund.

Beginning with **Sec 20**, the effective date for this legislation is a date on or before January 1, 2029. Therefore, there will be no fiscal impact during the fiscal periods above.

The amended portion from the previous LB 225 will have no fiscal impact to the DMV.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

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

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Treasurer

Prepared by: ⁽³⁾ Rachel Garver Date Prepared: ⁽⁴⁾ March 17, 2025 Phone: ⁽⁵⁾ 402-441-7425

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

For the next two fiscal years there is no financial impact to the county treasurer’s office. However, starting January 1, 2029, AM292 provides for the State Department of Motor Vehicles to start processing the online registrations rather than the county. This will result in a significant loss of fee income to the county. 60-3,29 (2)(b) gives authority to county treasurers to retain 1% of the motor vehicle tax proceeds collected for costs incurred. In Lancaster County this 1% collected fee amounted to \$532,147.61 in 2024. In 2024, one-third of all registration renewals were completed online accounting for \$175,608.71 of the collection fee. The online registration option is increasing in popularity and will likely be closer to 40–50% of the total registration renewals for Lancaster County when this portion of the bill takes effect. This would be a significant loss in fee revenue for the County starting in 2029.

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.....				