

PREPARED BY: Kathy Tenopir  
 DATE PREPARED: March 03, 2017  
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**LB 656**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB656 amends the Nebraska Claims for Wrongful Conviction and Imprisonment Act which is renamed the Nebraska Claims for Wrongful Conviction and Incarceration Act. LB656 provides that a successful claimant (defined in sec. 10) who has obtained a final judgment against a political subdivision from a federal court and/or the political subdivision may file a claim, with the State Claims Board, for full payment of such judgment which exceeds the available financial resources and revenue of the political subdivision required for its ordinary purposes.

As indicated by the Department of Administrative Services (DAS) there is currently a judgment against Gage County, Nebraska from a federal court in the amount of \$28.1 million.

In addition, LB656 creates a new type of claim against the State for any future wrongful conviction and incarceration judgements. Future wrongful conviction and incarceration judgements cannot be predicted. LB656 increases the State's exposure for wrongful conviction and incarceration claims.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
<b>LB: 656</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Department of Administrative Services – Risk Management Division (65)</b>	
REVIEWED BY: Joe Wilcox	DATE: 1/27/2017	PHONE: <a href="tel:4024714178">(402) 471-4178</a>	
COMMENTS: No basis to dispute the Nebraska Department of Administrative Services – Risk Management Division estimate of potential fiscal impact to the Agency and the State from LB 656.			

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**2017**

LB<sup>(1)</sup> 656

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Dept. of Administrative Services (DAS) -Risk Management Division

Prepared by: <sup>(3)</sup> Shereece Dendy Date Prepared: <sup>(4)</sup> January 20, 2017 Phone: <sup>(5)</sup> 402-471-4436

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>See Below</u>	<u>                    </u>	<u>See Below</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
REVOLVING FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u><b>See Below</b></u>	<u><b>                    </b></u>	<u><b>See Below</b></u>	<u><b>                    </b></u>

**Explanation of Estimate:**

LB656 proposes to change the name of the Wrongful Conviction and Imprisonment Act to the Wrongful Conviction or Incarceration Act. The bill also seeks to allow a “successful claimant,” as defined by the bill, and/or political subdivision to file a claim against the State for the payment of a final judgment from a federal court against such political subdivision.

The bill provides that any final judgment against a political subdivision from a federal court under 42 U.S.C. 1983 or 1985 for a violation of his or her rights protected by the Constitution of the United States and arising out of such wrongful incarceration or conviction, could incur a claim against the State of Nebraska should the political subdivision not have the available financial resources to pay such judgment. Such claims would be governed by the State Miscellaneous Claims Act and must be filed within two (2) years of the final judgment.

**Technical note:** On July 6, 2016, a jury awarded 6 individuals a verdict of \$28.1 million for the actions of Gage County, Nebraska that led to their wrongful convictions. There would be an immediate fiscal impact of \$28.1 million if this bill were enacted. This bill would create a new type of claim against the State. The state could be liable for any future wrongful conviction judgements. DAS cannot predict the number and frequency of any of these claims, however, these types of claims historically tend to be large multi-million dollar claims. Thus, this bill would significantly increase the State’s exposure to potential multi-million dollar claims.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
Benefits.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Operating.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Travel.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital outlay.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Aid.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Capital improvements.....	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL.....</b>	<u><b>          </b></u>	<u><b>          </b></u>	<u><b>          </b></u>	<u><b>          </b></u>