

PREPARED BY: Scott Danigole  
 DATE PREPARED: February 14, 2024  
 PHONE: 402-471-0055

**LB 1203**

Revision: 00

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$160,000		\$166,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$160,000</b>		<b>\$166,000</b>	

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

LB 1203 changes provisions of the Nebraska Accountability and Disclosure Act by requiring qualified political advertisements to include a statement, if applicable, regarding whether the advertisement was generated with artificial intelligence. Certain qualified political advertisements are exempted from such provisions.

The Nebraska Accountability and Disclosure Commission (NADC) estimates the need for one FTE and related operating costs to enforce the provisions of LB 1203. New investigative responsibilities and potentially securing expert advice would be needed. There is no basis to disagree with this estimate.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1203	AM:	AGENCY/POLT. SUB: Accountability and Disclosure Commission	
REVIEWED BY: Ryan Walton	DATE: 2/14/2024	PHONE: (402) 471-4174	
COMMENTS: The Accountability and Disclosure Commission's assessment of fiscal impact from LB 1203 appears reasonable.			

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

**2024**

**LB<sup>(1)</sup> 1203**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Accountability and Disclosure Commission

Prepared by: <sup>(3)</sup> David Hunter Date Prepared: <sup>(4)</sup> 1/26/2024 Phone: <sup>(5)</sup> 402-471-2522

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

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>160,000</u>	<u>                    </u>	<u>166,000</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u><u>160,000</u></u>	<u><u>                    </u></u>	<u><u>166,000</u></u>	<u><u>                    </u></u>

**Explanation of Estimate:**

Enactment of this bill could require our office to hire additional staff and/or contract for services from an expert in the field of artificial intelligence and could increase our required resources throughout the litigation process.

Enactment of this bill would place a number of new investigative responsibilities on the Nebraska Accountability and Disclosure Commission (NADC). Depending upon the number of complaints which the bill will generate, the NADC may need to obtain additional staff or contract for new services. Because the bill does not mention how the NADC would identify whether artificial intelligence is being used in political advertisements, it may be necessary to obtain expert advice on that subject at potentially significant expense to the NADC. Attempts to determine whether there are false allegations which are generated by artificial intelligence may require extensive and expensive investigations. Investigative determinations of whether speech is inaccurate may also involve constitutional questions leading to further litigation. Because this is a new area of potential investigation, the costs to the NADC are difficult to estimate but could be substantial.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Artificial Intelligence Expert	<u>1</u>	<u>1</u>	<u>95,000</u>	<u>100,000</u>
Benefits.....			<u>40,000</u>	<u>41,000</u>
Operating.....			<u>25,000</u>	<u>25,000</u>
Travel.....			<u>                    </u>	<u>                    </u>
Capital outlay.....			<u>                    </u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>			<u><u>160,000</u></u>	<u><u>166,000</u></u>