

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	See below		See below	

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

LB 236 amends the Political Subdivisions Tort Claims Act. The Nebraska Association of County Officials (NACO) explains that passage of the bill would expand legal exposure to political subdivisions, including counties, by adding harm caused by intentional torts that are the result of a failure of the political subdivision, or its employee, to (1) control a person of whom it has taken charge, or (2) protect a person who is in the county’s care from harm caused by a non-employee actor.

NACO further explains that while the number of claims a county may be required to address are unknown, it is expected that counties will experience increased legal exposure. Even one claim could result in significant negative local fiscal impact.

Lancaster County provides an example of the specific annual cost to its political subdivision. Lancaster County has a \$250,000 self-insured retention (SIR) on its insurance policy that would cover the claims provided for in LB 236. They project the possibility of needing to put an additional \$50,000 (one-time expense) into the SIR based on the updated provisions of § 13-910. In addition, insurance premium costs could increase by \$30,000 annually (ongoing expense).

Any increased expenditures would be borne by the county or political subdivision.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 236	AM:	AGENCY/POLT. SUB: City of Lincoln	
REVIEWED BY: Jacob Leaver	DATE: 3/24/2025	PHONE: (402) 471-4173	
COMMENTS: No basis to dispute the City of Lincoln’s indeterminable fiscal impact as a result of LB 236.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 236	AM:	AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY: Jacob Leaver	DATE: 1/22/2025	PHONE: (402) 471-4173	
COMMENTS: No basis to dispute the Lancaster County’s estimated fiscal impact as a result of LB 236.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 236	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY: Jacob Leaver	DATE: 1/23/2025	PHONE: (402) 471-4173	
COMMENTS: Concur with the Nebraska Association of County Officials’ estimate of unknown fiscal impact as a result of LB 236.			

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

2025

LB⁽¹⁾ 236

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ Claire Oglesby Date Prepared: ⁽⁴⁾ 1/24/25 Phone: ⁽⁵⁾ 402.441.8301

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:

The city of Lincoln would be liable in a situation where the city is currently immune from liability. There could be a liability if such a situation were to occur, but the fiscal impact is unknown. Maximum recovery for claims is \$1,000,000 per person, per occurrence.

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⁾ 236

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/15/2025 Phone: ⁽⁵⁾ 402.434.5660

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:

LB 236 would expand legal exposure to Political Subdivisions, including counties, by adding harm caused by intentional (“bad actor”) torts that are the proximate result of a failure of political subdivision (county) or an employee of the county to exercise reasonable care to either:

1. Control a person of whom it has taken charge; or
2. Protect a person who is in the county’s care, custody or control from harm caused by a non-employee actor.

Although the number of claims a county may be required to address annually is unknown, the potential liability exposure because of LB236 would expand the potential legal exposure to counties. Additionally, added costs for counties would be incurred to pay insurance premiums and defend such claims in litigation and trial expenses.

The overall fiscal impact if LB236 were implemented is unknown. However, even if there were one claim filed against the county due to LB236 changes, the fiscal impact is negative, and the additional exposure could be significant to a single county.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2025

LB⁽¹⁾ 236

FISCAL NOTE

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

Prepared by: ⁽³⁾ David Derbin, Chief Administrative Officer Date Prepared: ⁽⁴⁾ 1/15/2025 Phone: ⁽⁵⁾ 402-441-6865

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>80,000</u>	<u> </u>	<u>80,000</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>
TOTAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Explanation of Estimate:

Lancaster County has a \$250,000 self-insured retention (SIR) on its insurance policy that would cover the claims provided for in LB236. Given the novelty of the claims proposed to be exempted from the provisions of Section 13-910, and based on a risk estimate, it is estimated that an additional \$50,000 per year would be placed into SIR, and that insurance premium costs could increase by \$30,000 annually, for a total estimated annual cost of approximately \$80,000.

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.....	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Operating.....	<u> </u>	<u> </u>	<u>80,000</u>	<u>80,000</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>
TOTAL.....	<u> </u>	<u> </u>	<u>80,000</u>	<u>80,000</u>