

**FISCAL NOTE**  
LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to reflect all adopted amendments: AM2004, AM2138, ER129 and AM2467.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	1,800	0	0	0	1,800
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW

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

LB894 as amended by AM2004, AM2138, ER129 and AM2467 would:

- Eliminate the exclusion for warehouses that do not engage in grain transactions outside of grain which they received at their own warehouse facility, from the definition of a grain dealer.
- Add a requirement that all grain dealers prior to July 1, 2027 must be licensed by the Public Service Commission (PSC) and pay the current annual fee of \$100 which is credited to the General Fund.
- Direct the PSC to both establish a new grain dealer fee amount, which is to be capped at \$1500; and electronically submit a schedule of such fees to the Clerk of the Legislature by December 1, 2026.
- Create a new Grain Dealer and Grain Warehouse Cash Fund to be administered by the PSC, for receiving Grain Dealer and Grain Warehouse fees; with the intent of using the fees for administration of the Grain Dealer and Grain Warehouse Acts.
- Beginning with July 1, 2027, the PSC will begin charging the newly established grain dealer fee, which will then be deposited into the newly created Grain Dealer and Grain Warehouse Cash Fund.
- Require grain dealers to satisfy a written demand for payment (with proof of delivery) from a seller within 10 business days.
- Assign liability to the licensee, if the payment to a seller is not made within 30 days of the purchase date.
- Establish that sellers holding a deferred-pricing, price-later, or similar contract under which title has passed but no payment obligation has yet matured shall not be eligible to claim against the security unless the payment obligation became due prior to the date of the PSC initiating administrative action.
- Declare that the PSC shall issue licenses to grain warehouses licensed by the U.S. Warehouse Act, while providing an exception that these U.S. licensed warehouses shall not be charged a fee; in order to give the PSC better oversight.
- State that a warehouse licensed under the Grain Warehouse Act and the federal United States Warehouse Act, must submit to the PSC copies of all regulatory filings, that such warehouse has submitted to or received from the U.S. Department of Agriculture. This shall include regulatory filings relating to securities, insurance, yearly audits, and licenses only.
- Dictate that the PSC shall establish a grain warehouse license fee which will apply beginning July 1, 2027, not to exceed the fees charged federal warehouses as established for the applicable commodity in the 2025/2026 Rates Charged for AMS Services notice for entities with a Commodity Credit Corporation agreement, as such notice existed on January 1, 2026, that was published by the Agricultural Marketing Service of the U.S.D.A.
- Instruct the PSC to electronically submit a schedule of such fees to the Clerk of the Legislature by December 1, 2026.
- Beginning with July 1, 2027, the PSC will begin charging the newly established grain warehouse fee, which will then be deposited into the newly created Grain Dealer and Grain Warehouse Cash Fund. Before such time, grain warehouse fees will continue to be remitted to the General Fund.
- Stipulate that all investment earnings in the Grain Dealer and Grain Warehouse Cash Fund shall not be transferred from the fund to any other Legislatively created fund nor the General Fund, but shall remain in the fund.
- Add intent language to the bill stating that Legislature intends for the license fees established by the PSC shall not exceed 25% of the PSC's costs to implement the Grain Dealer and Grain Warehouse Acts.

This bill would become effective three calendar months after the adjournment of the Legislature.

Expenditures:

The PSC is anticipating there would likely be additional workload costs such as processing, reviewing, monitoring, auditing, and travel expenses. The level of new workload is indeterminate at this time. In the current fiscal year, the agency is anticipating they can absorb any new costs within their existing appropriation level. However, in FY2027-28 and beyond, the additional workload may increase and the agency would ask for additional appropriation at that time. It is assumed new fee revenue could support cash fund appropriations for some of the costs of administration.

Revenues:

The PSC has estimated an additional 18 grain dealers which currently are licensed through the U.S.D.A. would be required to apply for Nebraska grain dealer licenses. The additional licenses would bring in an additional \$1,800 in General Fund revenues in FY2026-27. Both the fee change and the cap level are indeterminate at this time, as the Commission will need to set the fee levels in FY2027-28. These fees would be credited to the new Grain

Dealer and Grain Warehouse Cash Fund. Additionally, all future revenue increases in FY2027-28 would be dependent upon the number of additional licensing applications. Hence, the fiscal impact for FY2027-28 and beyond is indeterminate.

The current total revenues received from this program only supports around 11% of the costs to administer the program.

There is no basis to disagree with the estimation of fiscal impact to the PSC.

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2026

LB<sup>(1)</sup> 894, AM2004, AM2138, ER129, AM2467

FISCAL NOTE

State Agency OR Political Subdivision  
Name: <sup>(2)</sup>

Public Service Commission

Prepared by: <sup>(3)</sup> Laurie Casados

Date Prepared: 3/5/2026  
<sup>(4)</sup>

Phone: <sup>(5)</sup> 402-471-0252

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

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	1,800	unknown	unknown

**Explanation of Estimate:**

Sections 1 through 4 of this amended bill changes sections of state statute related to the Grain Dealer Act. If this bill passes, 18 warehouses currently licensed through the U.S. Department of Agriculture would be required to obtain a Nebraska grain dealer license. These additional licenses would result in an increased workload related to administration, monitoring, and auditing, although this is not expected at this time to require the Commission to obtain additional resources. These additional licenses would increase revenues by a nominal amount in FY2026-27.

Sections 6 and 7 of this amended bill changes sections of state statute related to the Grain Warehouse Act and would modify the requirements for grain warehouses operating in Nebraska by mandating that all warehouses currently licensed by the US Department of Agriculture (“USDA”) also obtain a Nebraska warehouse license at no cost to the grain warehouse. While this may increase the workload of the PSC’s Grain Department (“Department”), it is not clear at this point that it would require additional positions or clearly definable costs.

The purpose of this license would be to allow the State to monitor warehouse operations. We believe this change would increase the department’s workload by approximately 34 additional warehouse licenses. However, the department does already monitor the financials of these entities through their grain dealer licenses. Additional departmental responsibilities would include reviewing documentation submitted to the USDA and examining each warehouse’s annual USDA audit. If concerns are identified during the audit review, the Department may need to conduct its own audit, which could require additional staff time and travel expenses. The bill could also prompt some USDA-licensed warehouses to discontinue their USDA license and instead operate solely under a state license. While this option already exists, it is unclear whether passage of this bill would increase the likelihood of such changes. If it does, the Department’s workload would increase further and possibly require additional staff resources to meet statutory obligations. However, that cannot be determined at this time.

While this bill makes changes to the rates charged in this program, the Commission would have to decide on and take action to increase any rates. After July 1, 2027 our revenue may increase over time depending on if any rate changes are made, and the timing of those changes, but that amount is indeterminate at this time.

Section 5 of the amended bill establishes the Grain Dealer and Grain Warehouse Cash Fund, to be administered by the Commission, for the purpose of defraying the costs associated with administering the

Grain Dealer Act and the Grain Warehouse Act. Beginning July 1, 2027, the Commission will deposit all fees collected pursuant to these Acts into the newly created cash fund.

Although the bill creates the cash fund and authorizes the Commission to begin depositing fees into it, the Commission will need to retain a General Fund appropriation to support departmental expenditures until sufficient cash reserves have been accumulated. Current annual expenses for administering the Grain Dealer and Grain Warehouse Acts are approximately \$750,000. However, total annual revenues at current fee levels are only about \$86,000.

Once sufficient cash balances are established and the Commission implements appropriate fee increases, expenses can gradually be shifted to the cash fund. We anticipate that this transition could begin as early as July 1, 2028. At that time, the Commission will work to modify its budget accordingly and reduce the required General Fund appropriation.

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b>POSITION TITLE</b>	<b>NUMBER OF POSITIONS</b>		<b>2026-27</b>	<b>2027-28</b>
	<b><u>26-27</u></b>	<b><u>27-28</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
.....	.....	.....	.....	.....
<b>Benefits</b> .....	.....	.....	.....	.....
....	.....	.....	.....	.....
<b>Operating</b> .....	.....	.....	.....	.....
....	.....	.....	.....	.....
<b>Travel</b> .....	.....	.....	.....	.....
.	.....	.....	.....	.....
<b>Capital outlay</b> .....	.....	.....	.....	.....
<b>Aid</b> .....	.....	.....	.....	.....
.	.....	.....	.....	.....
<b>Capital improvements</b> .....	.....	.....	.....	.....
<b>TOTAL</b> .....	.....	.....	.....	.....

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 894                      AM: 2004, 2138, ER129, 2467                      AGENCY/POLT. SUB: Public Service Commission

REVIEWED BY: Taten Raml                      DATE: 3/9/2026                      PHONE: (531) 310-4102

COMMENTS: No basis to disagree with the Public Service Commission's assessment of fiscal impact from LB 894 AM 2004, AM 2318, ER 129 AM 2467.