

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

As Amended by AM2324, AM2797, AM2888

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	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	2,200,000	70,000	0	0	2,270,000
FY2027-2028	0	2,270,000	0	0	2,270,000
FY2028-2029	0	2,270,000	0	0	2,270,000

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

LB 967 AM 2324 contains the provisions of LB 967, as well as, the provisions of four other bills, LB 1062, LB 1138, LB 950, and LB 953.

AM2797 amends LB 967 to revise the transfer from the Department of Insurance Cash Fund in FY 27 to include the additional revenue of \$2,200,000 to be transferred to the General Fund. AM2797 also includes the provisions of LB1157 to require other forms of payment other than credit and debit cards for health care services.

AM2888 revises language related to promulgating rules and regulations.

LB 1062 as amended by AM 1859 amends statute §44-1523 to redefine the term insurer to include a pharmacy benefit manager under the Unfair Insurance Trade Practices Act.

LB 1062 changes provisions relating to the Insurance Producers Licensing Act and the Pharmacy Benefit Manager Licensure and Regulation Act.

Insurance Producers Licensing Act:

LB 1062 amends provisions of the Insurance Producers Act to include retaliatory licensing fees. Before a license is issued or renewed, a nonresident insurance producer or business entity would pay the greater of the two below:

- The fee imposed by the state of Nebraska, not to exceed \$100 for insurance producer licenses or \$50 for business entities, OR
- The fee charged by the producer's or entity's home state to Nebraska residents

The bill would also grant the Director of Insurance the authority to cancel the nonresident licensee's license if the license is no longer active in the licensee's home state by sending a license revocation to the licensee. The licensee would be able to demand in writing a hearing before the director to prove validity of the license. Hearing would be held within 30 days of request. However, if the director has notice the nonresident licensee failed to maintain, in good standing, a resident license in the producer's home state, the director could revoke the license and would not be required to issue an order of license revocation.

Pharmacy Benefit Manager Licensure and Regulation Act:

LB 1062 establishes penalty requirements for failing to renew the pharmacy benefit manager's license under the Pharmacy Benefit Manager Licensure and Regulation Act. The pharmacy benefit manager would be required to pay a fee of \$100 per day, as well as, suspension of the license until compliance with the Act.

The bill also allows the Director of Insurance to grant an extension not to extend 30 days to allow the renewal application and fee to be filed without enforcing the penalty fee and license suspension. Pharmacy benefit managers must notify the director of any circumstances affecting their qualification for license in Nebraska.

LB 967 requires mutual insurance holding companies to post electronic notices of their annual meetings. Electronic notices would be considered direct electronic transmission, publication on a designated website, or any comparable technology.

LB 950 as amended by AM 1881 amends statute §81-6,125 to clarify language that enables the sharing of health information between health care providers and health care entities in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPPA). Also, adds a new subsection not requiring health care facilities or insurance plans to submit data except only what is required by the rules and regulations adopted by the Health Information Technology Board. Also amended is statute §81-6,127 changing the membership of the Health Information Technology Board to 21 members requiring an additional hospital administrator and one individual with experience in the electronic exchange of sensitive information, as well as, removing unnecessary language. Additionally, statute §81-6,128 is amended to add language stating that the Board shall not include proprietary or confidential financial information maintained by a health care provider or entity, and requires the Board to establish the framework and standards for ensuring the secure and seamless exchange of health information in real-time between health care providers and entities through the statewide health information exchange.

LB 950 modifies provisions related to the Health Information Exchange (HIE). The bill removes the option of a health care facility to waive participation in the HIE and modifies the member composition of the Health Information Technology Board.

LB 953 amends the eligible uses of the Site and Building Development Fund to allow for grants to political subdivision and to nationally and state accredited golf associations to construct golf facilities and related infrastructure. The bill requires the grants to be for facilities located within a city of the Metropolitan class. LB 953 would create requirements for the application for the newly created grant category and may affect grant distribution in the future.

LB 1138 as amended by AM 1920 adds the definition of insurer and clarifying language in regards to immunity for an insurer or trained individual from administrative or civil liability for not choosing to implement a program to comply with the Act. AM 1920 also adds a subsection stating an insurer shall be deemed in compliance if antifraud training is provided to all supervisors and employees pursuant to the laws or regulations of this state or another state.

LB 1138 adopts the Nebraska Protection of Seniors from Insurance Exploitation Act. The bill outlines the purpose and rules of the Act, as well as, sets the training requirements for the insurers. The bill also provides the Director of Insurance with the authority to administer the rules and regulations.

LB 1138 allows the insurer to conduct an internal review and delay or stop disbursements or transactions to the eligible adult if financial exploitation is suspected or has been attempted. Insurer would have to provide written notification and reason for the delay or stoppage.

The bill also grants immunity to an insurer or trained individual, acting in good faith, disclosing information of suspected financial exploitation to a permissible third party. Findings of the exploitation would be reported to the Director of Insurance and law enforcement for further investigation.

The Department of Insurance indicates the fees for nonresident insurance producers and business entities have already been increased to the maximum amounts. However, the department's research shows 20 states have higher business entity fees and 12 states have higher insurance producer fees than Nebraska. This would impact 2,997 nonresident business entities and 21,696 nonresident insurance producers in Nebraska, which would result in an estimated \$2,270,000 increase in revenue annually. The department could not provide an estimate on the impact of the late fees imposed on pharmacy benefits managers due to the number of late renewal filings being indeterminate. The department also states the fines do not affect the agency since all fines are paid to the State Treasurer in accordance with Article VII Section 5 of the Nebraska State Constitution. The Department does not anticipate any fiscal impact from the provisions of LB 967, LB 950, LB 9563, or LB 1138.

The Department of Economic Development does not expect any change with their current resources, thus no fiscal impact.

The Department of Health and Human Services did not provide an updated response. Based on the previous agency response for LB 950 and the amended changes in AM1881, there may be potential future costs to support modernization efforts but the fiscal impact is indeterminable.

No basis to disagree with the estimate.

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

2026

LB⁽¹⁾ 967AM2324

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Economic Development

Prepared by: ⁽³⁾ Stacey Parr Date Prepared: ⁽⁴⁾ 03/10/2026 Phone: ⁽⁵⁾ 402-471-3834

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</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:

LB967 as amended by AM2324 strikes the Act's original sections to 1) establish the Nebraska Protection of Seniors from Insurance Exploitation Act, 2) amend various insurance statutes, and 3) amend administrative statutes for the Department of Insurance, Department of Health and Human Services, and the Department of Economic Development (DED).

Sections 13 and 14 of AM2324 expand the Site and Building Development Fund's eligible activities to include political subdivisions' and national and state golf associations' construction of golf facilities and related infrastructure. While the language limits grants for facility construction to projects within cities of the metropolitan class, it is unclear whether the language provides a similar limitation for "related infrastructure" applications.

Grants issued pursuant to these provisions shall not exceed twenty percent of the total costs of construction. Additionally, applicants seeking such grants must provide the DED Director the following information prior to approval:

- Documentation demonstrating the facility's programming for veterans and youth;
- Letters of support from a nationally accredited golf association, a state accredited golf association, the mayor of the city of the metropolitan class where the facility will be located; and
- Proof of funding for at least eighty percent of the total costs of construction.

Based on the current language, DED does not expect any change with current resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2026

LB⁽¹⁾ 967 AM 2324

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jordan Blades Date Prepared: ⁽⁴⁾ 3/6/26 Phone: ⁽⁵⁾ 402-471-4638

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	2,270,000	_____	2,270,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	2,270,000	=====	2,270,000

Explanation of Estimate:

AM 2324 amends the provisions of LB's 950, 953, 1062, and 1138 into LB 967.

The Department does not anticipate any fiscal impact from the original provisions of LB 967, or LB's 950, 953, and 1138.

LB 1062 reinstates retaliatory licensing fees for insurance producers and agencies. Under LB 1062, when a nonresident insurance producer or agencies applies for, renews, or reinstates their license, they would pay the higher amount of the amount charged by their home state, or the amount Nebraska currently charges for nonresident licenses.

The fees for nonresident insurance producer and agency licenses were already increased to the maximum amount administratively, specifically to \$100 for individual producers and \$50 for insurance agencies for a two-year license. Our research indicates that twenty states have higher agency fees than Nebraska. Currently, that would impact 2,997 non-resident insurance agencies. Twelve states have higher licensing fees for producers. Currently, that would account for 21,696 non-resident licenses in Nebraska.

The department anticipates this would result in an increase in revenue of \$2,270,000 annually.

Additionally, LB 1062 allows the Department to fine Pharmacy Benefit Managers (PBM's) for violating the PBM act by failing to file a timely renewal application or pay the renewal fee. This would allow the Department to collect penalties and fines faster. For cases where a late fee would be due, this may increase the size of the total penalty. This does not affect agency funds as all fines are paid to the State Treasurer in accordance with Article VII, section 5, of the Constitution of Nebraska. The impact of this is indeterminate as the number of PBMs filing late for renewal cannot be predicted.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u> <u>EXPENDITURES</u>	<u>2027-28</u> <u>EXPENDITURES</u>
	<u>26-27</u>	<u>27-28</u>		
_____	_____	_____	_____	_____

Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

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

LB: 967 AM: 2324 AGENCY/POLT. SUB: Department of Insurance

REVIEWED BY: Ryan Walton DATE: 3/10/2026 PHONE: (402) 471-4174

COMMENTS: Concur with the Department of Insurance's assessment of fiscal impact from LB 967, as amended by AM 2324.

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

LB: 967 AM: 2324 AGENCY/POLT. SUB: Department of Economic Development

REVIEWED BY: Ryan Walton DATE: 3/12/2026 PHONE: (402) 471-4174

COMMENTS: The Department of Economic Development's assessment of no fiscal impact from LB 967, as amended by AM 2324, appears reasonable.