

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB284 amends the Political Subdivisions Tort Claims Act as follows.

1. Increases the timeline to file a tort claim from one year to two years.
2. Increases the total amount recoverable per occurrence from
 - a. \$1 million to \$3 million for any person for any number of claims arising out of a single occurrence
 - b. \$3 million to \$12 million for all claims arising out of a single occurrence.

The City of Lincoln indicates that LB284 has the potential of significantly increasing costs to include insurance premiums (\$500,000 to \$700,000), higher negotiated settlements and an additional year in which to file claims. It would appear that similar costs could be realized by other political subdivisions.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: LB 284	AM:	AGENCY/POLT. SUB: City of Lincoln	
REVIEWED BY: Joe Wilcox	DATE: January 25th, 2013	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute agency analysis of fiscal impact on the City of Lincoln.			

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

2013

LB(1) 284 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Lincoln

Prepared by: (3) Steve Hubka Date Prepared: (4) 1/18/13 Phone: (5) 402 441-7412

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	\$500,000	_____	\$500,000	_____

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

This bill has the potential to significantly increase annual insurance costs due to going from \$1M to \$3M. This will possibly increase premiums up to 3x for Lincoln, costing between \$500,000 to \$700,000 additional in stop loss premiums each year. It could also encourage higher negotiated settlements due to the higher potential court ordered settlements. An additional year to file claims also increases the potential cost by possibly having more claims. Paid claims have averaged \$658,000 over the last 10 years.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2013-14 EXPENDITURES	2014-15 EXPENDITURES
	13-14	14-15		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	\$500,000	\$500,000
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____