

PREPARED BY: Suzanne Houlden
 DATE PREPARED: February 21, 2023
 PHONE: 402-471-0057

LB 341

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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.

LB 341, if passed, would expand legal exposure to the State and Political Subdivisions, including counties, by creating the State and Political Subdivisions Child Sexual Abuse Liability Act and removing claims arising out of child sexual abuse from the State Tort Claims Act and the Political Subdivisions Tort Claims Act.

Although the number of claims that the State (or counties) may be required to address annually is unknown, the potential liability exposure as a result of the passage of LB 341 would be negative and potentially significant, as a result of also removing: (1) limits on recoverable damages, (2) limits on the availability of a jury trial, (3) notice requirements, and (4) time limitations.

Both the State and some county governments have received claims in past years that for which significant damages could have been paid had LB 341 been in place. The fiscal impact to the State would be in General Fund dollars but is unquantifiable at this time.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 341 AM: AGENCY/POLT. SUB: Department of Administrative Services – Risk Management Division (065)		
REVIEWED BY: Joe Wilcox	DATE: 02/01/2023	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Department of Administrative Services – Risk Management Division estimate of Potential, but Indeterminate Fiscal Impact to the Agency from LB 341.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 341 AM: AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)		
REVIEWED BY: Joe Wilcox	DATE: 02/17/2023	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Association of County Officials (NACO) estimate of Potential, but Unknown Fiscal Impact to Nebraska Counties from LB 341.		

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

2023

LB⁽¹⁾ 341

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Dept of Administrative Services (DAS) – Risk Management Division

Prepared by: ⁽³⁾ Allen D. Simpson Date Prepared: ⁽⁴⁾ 01/15/2023 Phone: ⁽⁵⁾ (402)471-4436

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>	<u>See Below</u>

Explanation of Estimate:

LB 341 declares the state shall be liable in the same manner and to the same extent as a private individual or entity under like circumstances for all claims arising out of child sexual abuse. In addition, child sexual abuse shall not be subject to the State Tort Claims Act or the limitations or requirements in such act, including, but not limited to, limits on recoverable damages, limits on the availability of a jury trial, notice requirements, and statutes of limitations. There shall not be any time limitation for child sexual abuse occurring on or after the effective date of this act or prior to the effective date of this act if such action was not previously time barred.

An individual who is a victim of child sexual abuse may bring a tort claim arising from such child sexual abuse against a political subdivision or a state agency.

The bill creates a fiscal impact, which would require General Funds. Since 9/1/2017 the Risk Management office received at least two claims totaling \$1,500,500.00 that could have been allowed had the above bill been in place.

The bill creates a fiscal impact; however, the exact fiscal impact per year is unknown.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

2023

LB⁽¹⁾ 341

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 2/16/2023 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

LB341 would expand legal exposure to State and Political Subdivisions, including counties, by creating the State and Political Subdivisions Child Sexual Abuse Liability Act and removing claims arising out of child sexual abuse from the State Tort Claims Act and the Political Subdivisions Tort Claims Act.

Although the number of claims a county may be required to address annually is unknown, the potential liability exposure as a result of LB341 would greatly expand the potential legal exposure to counties as a result of explicitly removing political subdivisions from claims arising out of child sexual abuse from the limitations or requirements in such acts, including but not limited to: (1) limits on recoverable damages, (2) limits on the availability of a jury trial, (3) notice requirements, and (4) statutes of limitations. The extension of time to file a claim and the removal of the statutory limits on recoverable damages would potentially have a very substantial impact to a county in the event there is a judgment against it. Additionally, added costs for counties would be incurred to defend such claims in litigation and trial expenses

What is known is several lawsuits filed against a class of Nebraska defendants have ended in favorable verdicts or settlements for survivors of plaintiffs. For example, in 2002, in one case a defendant in Omaha paid an \$800,000 jury award for an abuse survivor and his family. By using CPI-Midwest as an inflationary factor, the lawsuit would've amounted to over \$1.1 million in 2022. Additionally, the defendants have paid at least seven other settlements to survivors of priest sexual abuse. However, the financial details of these settlements were never publicly disclosed. The overall fiscal impact if LB341 were implemented is unknown; however, even if there were one claim filed against the county the exposure could be significant..

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____