

PREPARED BY: Clinton Verner
 DATE PREPARED: February 11, 2025
 PHONE: 402-471-0056

LB 565

Revision: 00

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	\$243,400		\$141,600	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$243,400		\$141,600	

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

LB565 creates new duties for agencies which promulgate rules and regulations under the Administrative Procedures Act (APA). LB565 would prohibit the issuance of new guidance documents on or after July 1, 2025 and before July 1, 2027, unless required under Federal rules. LB565 would restrict guidance documents from imposing greater regulations than federal requirements, and would revoke guidance documents issued on or after July 1, 2022 and before July 1, 2025 pending a formal rulemaking process.

The economic modelling would be contained within the Department of Revenue. Fiscal impact appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 565	AM:	AGENCY/POLT. SUB: Secretary of State	
REVIEWED BY: Jacob Leaver	DATE: 2/5/2025	PHONE: (402) 471-4173	
COMMENTS: No basis to dispute the Secretary of State's estimate of indeterminable fiscal impact as a result of LB 565.			

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

2025

LB⁽¹⁾ 565

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) - ENTERPRISE

Prepared by: ⁽³⁾ Jennifer Sommars-Link Date Prepared: ⁽⁴⁾ 01/23/2025 Phone: ⁽⁵⁾ 402-471-1405

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>\$243,400</u>	<u></u>	<u>\$141,600</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
REVOLVING FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$243,000</u>	<u></u>	<u>\$141,600</u>	<u></u>

Explanation of Estimate:

LB 565 modifies the notice required as the first page of each guidance document to include a description and estimated quantification of the fiscal impact on state agencies, political subdivisions, and regulated persons or businesses.

An agency is prohibited from issuing guidance documents between July 1, 2025, and July 1, 2027, unless specifically required by amendments to existing federal rules or to become compliance with new federal rules and regulations. Guidance documents are not to impose greater regulations on Nebraska residents or businesses than federal requirements and revokes any guidance documents issued on or after July 1, 2022, and before July 1, 2025, pending a formal rulemaking process unless explicitly required for federal compliance.

Dept. of Administrative Services:

LB 565 would necessitate legal review of existing agency guidance. It would necessitate additional legal review, drafting, and rulemaking. DAS could prioritize these processes with current staffing levels. Therefore, LB 565 would cause limited fiscal impact.

Dept. of Banking & Finance:

LB 565 would require expending additional staff resources if rules had to be implemented rather than guidance documents. There is no fiscal impact expected.

Dept. of Correctional Services:

There is no fiscal impact to the Department of Correctional Services.

Dept. of Health & Human Services:

LB 565 does not have a fiscal impact to DHHS.

Military Department:

LB 565 is not applicable to the Military Department; therefore, there is no fiscal impact.

Dept. of Revenue:

The Department of Revenue will need a Revenue Economist to implement the bill. LB 565 will also require a purchase of REMI modeling software with a first-year cost of \$140,000 and \$40,000 each year after for maintenance.

Nebraska State Patrol:

Nebraska State Patrol would not have a fiscal impact with adoption of LB565.

Dept. of Transportation:

NDOT does not have any guidance documents; therefore, there is no fiscal impact.

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>
Dept. of Revenue A29511 Revenue Economist	1.0	1.0	\$74,000	\$76,400
Benefits.....			\$24,400	\$25,200
Operating.....			\$140,000	\$40,000
Travel.....				
Capital outlay.....			\$5,000	
Aid.....				
Capital improvements.....				
TOTAL.....			\$243,400	\$141,600

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

2025

LB⁽¹⁾ 565

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Secretary of State

Prepared by: ⁽³⁾ Joan Arnold Date Prepared: ⁽⁴⁾ 1-29-2025 Phone: ⁽⁵⁾ 402-471-2384

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:

No fiscal impact is anticipated at this time. However, LB 565 provides that all guidance documents and provider bulletins issued between July 1, 2022 and July 1, 2025 are revoked pending a formal rulemaking process unless required for federal compliance. It appears that LB 565 may require agencies to promulgate additional regulations. At this time, the extent of additional regulation promulgation is unknown. Should additional promulgation be significant, we would require additional staffing and would likely submit a deficit request at that time.

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.....	_____	_____	_____	_____