

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

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	(1,692,000)	(1,128,000)	0	0	(2,820,000)
FY2027-2028	(2,324,000)	(1,549,000)	0	0	(3,873,000)
FY2028-2029	(2,394,000)	(1,596,000)	0	0	(3,990,000)

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

LB 782 amends section 9-648 of the Nebraska County and City Lottery Act so that any county, city, or village which conducts a lottery shall submit to the Department of Revenue (DOR) on a quarterly basis a tax of 1% of the gross proceeds, a change from 2%.

The bill becomes operative on July 1, 2026.

The bill contains the emergency clause.

The DOR estimates the following decrease to General Fund revenues and to the Charitable Gaming Operations Fund as a result of the bill:

<i>Fiscal Year</i>	<i>General Fund Revenues</i>	<i>Charitable Gaming Operations Fund</i>
FY27	\$ (1,692,000)	\$ (1,128,000)
FY28	\$ (2,324,000)	\$ (1,549,000)
FY29	\$ (2,394,000)	\$ (1,596,000)
FY30	\$ (2,465,000)	\$ (1,644,000)

The DOR estimates no cost to it to implement the bill.

There is no basis to disagree with these estimates.

Local governments are estimated to have increased revenue as a result of the tax decreasing from 2% to 1%.

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

2026

LB⁽¹⁾ 782

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ Chad Mohr Date Prepared: ⁽⁴⁾ 1/15/2025 Phone: ⁽⁵⁾ 402 441 8306

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>	<u>REVENUE</u>	<u>FY 2027-28</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS		450000		400000
TOTAL FUNDS				

Explanation of Estimate:

Based on our trend analysis of Keno revenue and state taxes, this would have a net effect of increased revenue to the City of Lincoln.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2026

LB₍₁₎ 782

FISCAL NOTE

State Agency OR Political Subdivision Name: (2)

City of Omaha

Prepared by: (3) Jeff Roh

Date Prepared: (4) 1-15-26

Phone: (5) 402-444-5451

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	<u>(1,200,000)</u>	<u></u>	<u>(1,236,000)</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>

Explanation of Estimate:

The City of Omaha would see a savings of around \$1,200,000 if the tax drops to one percent of gross proceeds.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 782	AM:	AGENCY/POLT. SUB: City of Lincoln	
REVIEWED BY: Ryan Yang	DATE: 1/16/2026	PHONE: (402) 471-4178	
COMMENTS: No basis to disagree with the City of Lincoln assessment of positive fiscal impact from LB 782.			
Technical Note: The General Fund revenue reflected on the fiscal note shows the impact to the political subdivision and does not impact State General Fund revenue.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 782	AM:	AGENCY/POLT. SUB: City of Omaha	
REVIEWED BY: Ryan Yang	DATE: 1/16/2026	PHONE: (402) 471-4178	
COMMENTS: No basis to disagree with the City of Omaha assessment of positive fiscal impact from LB 782.			
Technical Note: The General Fund expense savings reflected on the fiscal note shows the impact to the political subdivision and does not impact State General Fund revenue.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 782	AM:	AGENCY/POLT. SUB: Lancaster County, Nebraska	
REVIEWED BY: Ryan Yang	DATE: 1/13/2026	PHONE: (402) 471-4178	
COMMENTS: No basis to disagree with the Lancaster County assessment of positive fiscal impact from LB 782.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 782	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Ryan Yang	DATE: 1/13/2026	PHONE: (402) 471-4178	
COMMENTS: No basis to disagree with the NACO assessment of positive fiscal impact from LB 782.			

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

2026

LB⁽¹⁾ 782

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County, Nebraska

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1/12/2026 Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>	<u>REVENUE</u>	<u>FY 2027-28</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	<u>\$18,000</u>	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

Based on recent lottery activity (FY23–FY25), Lancaster County anticipates an increase in retained lottery revenue of approximately \$18,000 annually beginning in FY 2026–27. Actual impacts will vary depending on lottery proceeds.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:	NUMBER OF POSITIONS		2026-27	2027-28	
	POSITION TITLE	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____	_____

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

2026

LB⁽¹⁾ 782

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ **Elaine Menzel**

Date Prepared: ⁽⁴⁾ **1/13/2026**

Phone: ⁽⁵⁾ **402.434.5660**

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27 EXPENDITURES	REVENUE	FY 2026-27 EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

LB782, this would reduce the tax on lottery wagerings from 2% to 1%. This means that counties that conduct keno would see an increase of 1% in revenue. Using data from the Nebraska Department of Revenue's Annual Charitable Gaming Reports, NACO identified 17 counties reporting keno proceeds (Buffalo, Cass, Chase, Cheyenne, Dawson, Deuel, Garden, Garfield, Gosper, Hall, Harlan, Keith, Knox, Otoe, Platte, Sarpy, and Scotts Bluff). We compiled a two-average from FY2023 & 2024 and found that these counties generated \$26,818,391 in keno proceedings, meaning that if counties were allowed to keep an additional 1%, counties would see an estimated annual increase of \$268,184 in revenue.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Personal Services	_____	_____	_____	_____
Benefits	_____	_____	_____	_____
Operating	_____	_____	_____	_____
Travel	_____	_____	_____	_____
Capital outlay	_____	_____	_____	_____
Aid	_____	_____	_____	_____
Capital improvements	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFO:				
Approved by: James R. Kamm	Date Prepared: 01/21/2026		Phone: 471-5896			
	FY 2026-2027	FY 2027-2028	FY 2028-2029			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		(\$1,692,000)		(\$2,324,000)		(\$2,394,000)
Cash Funds		(\$1,128,000)		(\$1,549,000)		(\$1,596,000)
Federal Funds						
Other Funds						
Total Funds		(\$2,820,000)		(\$3,873,000)		(\$3,990,000)

LB 0782 amends Neb. Rev. Stat. §9-648 of the County and City Lottery by reducing the tax owed by a county, city or village from two percent of the gross proceeds down to one percent of the gross proceeds.

It is estimated that this bill will have the following fiscal impacts:

Fiscal Year	General Fund revenues	Charitable Gaming Operations Fund
FY2026-27	(\$1,692,000)	(\$1,128,000)
FY2027-28	(\$2,324,000)	(\$1,549,000)
FY2028-29	(\$2,394,000)	(\$1,596,000)
FY2029-30	(\$2,465,000)	(\$1,644,000)

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

The operative date of this bill is July 1, 2026.

Major Objects of Expenditure

Class Code	Classification Title	26-27	27-28	28-29	26-27	27-28	28-29
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							