

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	SEE BELOW	0	0	0	SEE BELOW
FY2027-2028	SEE BELOW	0	0	0	SEE BELOW
FY2028-2029	SEE BELOW	0	0	0	SEE BELOW
REVENUE	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

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

LB 993 amends statute regarding law enforcement officers.

It allows for civil action against law enforcement officers by individuals who have been deprived of their constitutional rights and allows for compensatory and punitive damages. In these actions, it disallows the use of qualified immunity for defendants

These actions are not subject to the Political Subdivisions Tort Claims Act.

The filing of the civil action must take place within 3 years after the cause of action.

The public employer is responsible for the damages unless it is determined the officer acted in bad faith or with malicious intent.

This bill will have a fiscal impact, however the specific amount is unknown.

The attorney general estimates an increase in claims based on these changes and indicates the need to hire an attorney and legal assistant to handle the increase. This would require an appropriation of general funds of \$246,217 in FY2026-27 and \$251,363 in FY2027-28.

The Nebraska Department of Correctional Services estimates an increase in claims, although the specific fiscal impact is indeterminable.

NACO estimates the potential for a large fiscal impact to counties if there are civil actions brought as a result of this legislation.

DAS estimates an unknown significant impact to the general fund each year due to an increase in litigation costs.

These estimates appear reasonable.

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

2026

LB⁽¹⁾ 993

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Attorney General

Prepared by: ⁽³⁾ Jen Huxoll

Date Prepared: 1-14-26
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	246,217		251,363	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	246,217		251,363	

Explanation of Estimate:

LB 993 would have a fiscal impact on the AGO. The bill creates a new category of claims against law enforcement officers (LEOs) for potential constitutional violations and eliminates the defenses of sovereign immunity and qualified immunity. The AGO represents state LEOs sued for alleged constitutional violations. The elimination of sovereign immunity and qualified immunity will result in an increased number of claims filed against State LEOs, along with more protracted and expensive litigation. The AGO will require the addition of at least one experienced, full-time attorney, and an additional legal assistant to manage the increased case filings and trial obligations.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Assistant Attorney General	1.0	1.0	95,000	97,850
Legal Assistant	1.0	1.0	54,000	55,620
Benefits			97,217	97,893
...				
Operating				
....				
Travel				
.				
Capital outlay				
Aid				
.				
Capital improvements				
TOTAL			246,217	251,363

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

2026

LB⁽¹⁾ 993

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska Department of Correctional Services

Prepared by: ⁽³⁾ Lisa Stanton

Date Prepared: 01/16/2026
⁽⁴⁾

Phone: ⁽⁵⁾ (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

LB993 provides a cause of action for deprivation of constitutional rights by a law enforcement officer and eliminates the defense of qualified immunity. The bill could potentially increase the number of claims and costs associated with those claims that the Department of Correctional Services would be responsible for. The specific amount of impact is indeterminable.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

.
**Capital
improvements**.....
TOTAL.....

_____	_____
_____	_____
_____	_____
_____	_____

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

2026

LB⁽¹⁾ 993

FISCAL NOTE

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

Prepared by: ⁽³⁾ Sarah Skinner Date Prepared: ⁽⁴⁾ 2/6/2026 Phone: ⁽⁵⁾ 402-419-4229

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	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

Explanation of Estimate:

LB993 would establish a cause of action against a law enforcement officer(s) for a person deprived of any constitutional right by a law enforcement officer(s) and eliminates the doctrines of qualified immunity and sovereign immunity as defenses. The definition of law enforcement officer would include correctional officers, and as such, the bill would also apply to claims against the Department of Correctional Services and their officers, in addition to claims against the Nebraska State Patrol and their officers. Such a claim would not be subject to the State Tort Claims Act. The state would indemnify law enforcement officer(s) for any civil action against them unless the officer(s) acted in bad faith or maliciously. LB993 also provides that punitive damages may be awarded in certain cases. Nebraska and federal law do not currently allow a plaintiff to recover punitive damages from the state or state officials, so allowing punitive damages would increase the overall cost of any judgment or settlement.

Qualified and sovereign immunity are the legal basis upon which many of state lawsuits involving law enforcement officers are dismissed. They are fundamental protections for both the public servant and the Nebraska taxpayers who are responsible for paying judgments against the public servant and/or the agency who has been sued. For litigation costs, awards, or settlements, payments would be made from the General Fund. It is unknown how many further actions or the associated costs would result from claims authorized by LB993, but the impact to this fund would presumably be in the millions of dollars and would require General Funds.

There is a fiscal impact to the General Fund.

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.....				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 993	AM:	AGENCY/POLT. SUB: Attorney General	
REVIEWED BY: Jennifer Alcazar	DATE: 1/21/2026	PHONE: (402) 471-4169	
COMMENTS: No basis to disagree with the Attorney General's estimate fiscal impact as a result of LB 993.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 993 Services	AM:	AGENCY/POLT. SUB: Nebraska Department of Correctional	
REVIEWED BY: Jennifer Alcazar	DATE: 1/22/2026	PHONE: (402) 471-4169	
COMMENTS: No basis to disagree with the Department of Correctional Services' estimate fiscal impact as indeterminable as a result of LB 993.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 993	AM:	AGENCY/POLT. SUB: Nebraska State Patrol	
REVIEWED BY: Jennifer Alcazar	DATE: 2/11/2026	PHONE: (402) 471-4169	
COMMENTS: Concur with the Nebraska State Patrol's estimate of indeterminable as a result of LB 993.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 993 Management	AM:	AGENCY/POLT. SUB: Department of Administrative Services – Risk	
REVIEWED BY: Jennifer Alcazar	DATE: 2/17/2026	PHONE: (402) 471-4169	
COMMENTS: No basis to disagree with the Department of Administrative Services – Risk Management's estimate fiscal impact as a result of LB 993.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 993	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY: Jennifer Alcazar	DATE: 1/20/2026	PHONE: (402) 471-4169	
COMMENTS: No basis to dispute the Nebraska Association of County Officials' estimate fiscal impact as indeterminate as a result of LB 993.			

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

2026

LB⁽¹⁾ 993

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/16/2026 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</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:

LB993 would increase legal exposure to law enforcement, including sheriffs, by authorizing a person who has been deprived of any constitutional right by a law enforcement officer acting under color of law to bring a civil action for appropriate relief. Such relief could include: (a) compensatory damages, (b) punitive damages, (c) such preliminary and other equitable or declaratory relief; and (d) reasonable attorney’s fees and other litigation costs.

From the National Conference of State Legislatures (NCSL), “If qualified immunity applies, money damages aren’t available even if a constitutional violation has occurred. If qualified immunity doesn’t apply, while the government employee or official technically is responsible for money damages, the government entity virtually always pays. So qualified immunity protects states and local governments from having to pay money damages for actions not yet deemed unconstitutional by a court.” LB992 would eliminate the qualified immunity defense that is currently available to sheriffs; therefore, eventually the government entity would likely pay for under these cases. Pursuant to LB992, counties would be required to indemnify its law enforcement officers for any judgment entered against them in an action, unless the officer acted in bad faith or with malicious intent.

In NACO’s research, punitive damages generally cannot be indemnified, thus the officer may face personal exposure, and counties may face significant discovery burdens or settlement pressure.

The overall fiscal impact if LB993 were implemented is unknown. However, even if there were one claim filed against the county under LB993 changes, the fiscal impact is negative, and the additional exposure could be significant to a single county. Further, counties would not be protected by the current \$2 million dollar per individual and \$5 million per occurrence cap within the Political Subdivisions Tort Claims Act; therefore, the exposure of just one claim could well exceed that amount for a county’s liability. The impact to counties with smaller budgets could be disastrous.

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				

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

2026

LB⁽¹⁾ 993

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman

Date Prepared: 02/09/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Explanation of Estimate:

LB 993 provides for a cause of action for deprivation of constitutional rights by law enforcement officers. It eliminates the defense of qualified immunity. Section 3 of the bill provides that a person who has been deprived of any constitutional right by a law enforcement officer acting under color of law may bring a civil action for appropriate relief. Section 4 requires a public employer to indemnify its law enforcement officers for any judgment entered against them in an action under section 3 of the act, unless the officer acted in bad faith or with malicious intent.

The result of such an act could result in very large financial damages, which could be financially devastating for the State of Nebraska and for the State Patrol. It is not possible to determine the extent of the fiscal impact, other than to state that the bill may or may not result in an extremely large fiscal impact. Even if no damages were awarded, the legal cost of defending such civil suits could be very large.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		<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.....				