

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	6,600,000	(6,600,000)	0	0	0
FY2027-2028	6,800,000	(6,800,000)	0	0	0
FY2028-2029	6,800,000	(6,800,000)	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	SEE BELOW	0	0	SEE BELOW
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW

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

LB1153 updates the Nebraska Consumer Protection Act and amends how funds are distributed.

Effective July 1, 2026, covered recoveries (excluding criminal penalties and trust-capacity funds) will no longer be credited to the State Settlement Cash Fund and must be remitted to the State Treasurer for distribution: 1% each to the Legal Education for Public Service and Rural Practice Loan Repayment Assistance Fund, the Financial Literacy Cash Fund, the Board of Regents of the University of Nebraska for the tenant assistance project, and the University of Nebraska Medical Center for pediatric cancer research, with the remaining 96% distributed for the support of common schools. Trust-capacity recoveries continue to be deposited in the State Settlement Trust Fund and may be used only as legally restricted.

The Nebraska Department of Education states that, beginning July 1, 2026, proceeds that would have been deposited in the State Settlement Cash Fund would instead be distributed by the State Treasurer, including 96% for the support of common schools. The Department states these receipts would be treated as an accountable resource in TEEOSA, reducing the amount of state aid otherwise required. It would also be included in the property tax authority calculation, reducing school districts' allowable property tax authority. The fiscal impact to individual school districts is indeterminate at this time. Additionally, the fiscal impact to the state related to state aid paid pursuant to TEEOSA is indeterminate.

The University of Nebraska System states that because Consumer Protection Act recoveries vary year to year and cannot be predicted, the University cannot quantify the fiscal impact of LB 1153. Any fiscal impact is indeterminate and could be higher or lower depending on annual settlement activity. The Legal Education and Tenant Assistance programs are time-limited initiatives, and any future funding would require reassessment of program scope.

The Commission on Public Advocacy states that under LB 1153, it would receive 1% of the State Settlement Cash Fund balance for the Legal Education for Public Service and Rural Practice Loan Repayment Assistance Fund. The fund balance was \$8,690,825.82 as of December 31, 2025, and the Commission's FY 2026-27 appropriation is \$150,000, which is distributed to LRAP applicants each year. If the amount of funds distributed under the changes in the bill is below \$15,000,000, the LRAP fund may not have sufficient resources to maintain recent award levels.

The Attorney General states that LB1153 would eliminate the State Settlement Cash Fund, thereby preventing the AGO's Consumer Protection Division from recovering enforcement and litigation expenses and limiting its ability to self-fund or expand discretionary enforcement that is typically reimbursed through settlements.

The Attorney General also states the bill would reduce or eliminate enforcement work that results only in direct payments to Nebraska consumers (e.g., overcharges, junk fees, scams, and fraud). If enacted, the Attorney General states consumer protection enforcement costs would need to be funded through General Fund appropriations and estimates a need of at least \$6.6 million annually. The Attorney General further states that reliance on General Fund appropriations would likely reduce discretionary enforcement and could result in the State foregoing more than \$10 million per year in potential settlement revenue.

There is no basis to disagree.

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

2026

LB⁽¹⁾ 1153

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Attorney General

Prepared by: ⁽³⁾ Bebe Strnad

Date Prepared: 1-22-26
⁽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	6,600,000		6,800,000	
CASH FUNDS	(6,600,000)	(10,000,000)	(6,800,000)	(10,000,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	(10,000,000)	0	(10,000,000)

Explanation of Estimate:

The State Settlement Cash Fund would be eliminated by LB1153. Under this bill, the AGO's Consumer Protection Division would be unable to recoup its expenses, fees, or costs of enforcement and litigation through any manner. The AGO would likewise be unable to self-fund its consumer protection efforts nor invest in additional discretionary enforcement that would be reimbursed via settlements. LB1153 would also eliminate enforcement work that results exclusively in direct recovery and payments to Nebraska consumers, such as a high volume of matters related to overcharges, junk fees, scams, and fraud. If enacted, LB1153 would require all expenditures for the AGO's consumer protection enforcement to be appropriated from the General Fund.

While the expenditure varies by year based on need and availability of funds, the AGO would require at least \$6.6M in General Funds per year. Furthermore, due to the instability of reliance on General Fund appropriation, enforcement efforts that are discretionary in nature would be reduced, if not eliminated, under LB1153. While prospective settlements and recoveries are impossible to predict, without such enforcement efforts, the State will stand to lose upwards of \$10 million a year in prospective settlement revenue—revenue that could be otherwise distributed to other state funds, as done previously.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 <u>EXPENDITURES</u>	2027-28 <u>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: 1153	AM:	AGENCY/POLT. SUB: Attorney General	
REVIEWED BY:	Ashley Dempsey	DATE: 2/3/26	PHONE: (402) 326-2182
COMMENTS: No basis to dispute the Attorney General's estimated fiscal impact as a result of LB 1153.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1153	AM:	AGENCY/POLT. SUB: Commission on Public Advocacy	
REVIEWED BY:	Ashley Dempsey	DATE: 1/29/26	PHONE: (402) 326-2182
COMMENTS: Concur with the Commission on Public Advocacy's estimated fiscal impact as a result of LB 1153.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1153	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY:	Ashley Dempsey	DATE: 1/29/26	PHONE: (402) 326-2182
COMMENTS: Concur with the University of Nebraska's assessment of indeterminable fiscal impact from LB 1153.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1153	AM:	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY:	Ashley Dempsey	DATE: 1/26/26	PHONE: (402) 326-2182
COMMENTS: Concur with the State Treasurer's assessment of no fiscal impact from LB 1153.			

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

2026

LB⁽¹⁾ 1153

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska Department of Education

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: 2/4/26
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-4320

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				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB 1153 ends the State Settlement Cash Fund on July 1, 2026 with proceeds after that date being sent to the State Treasurer to be distributed as follows:

- one percent to the Legal Education for Public Service and Rural Practice Loa Repayment Assistance Fund
- One percent to the Financial Literacy Cash Fund;
- One percent to the Board of Regents for tenant assistance projects;
- One percent to the University of Nebraska Medical Center for pediatric cancer research;
- Ninety-six percent to support common schools in the same manner as all fines, penalties, and license money are distributed.

The additional funding to school districts would be an accountable receipt in the TEEOSA formula which would reduce the amount of TEEOSA funding required to be funded by the State. Additionally, this additional receipt would be accountable in the property tax authority calculation which would reduce the amount of property tax author school districts are allowed.

No fiscal impact to NDE and exact impacts to school districts cannot be determined at this time.

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.....		

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

2026

LB⁽¹⁾ 1153

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Commission on Public Advocacy

Prepared by: ⁽³⁾ Todd Lancaster

Date Prepared: 01/21/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-7774

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:

According to LB 1153 the Commission would receive 1% of the balance of the state settlement cash fund for the Legal Education for Public Service and Rural Practice Loan Repayment Assistance Fund. The balance of that fund was \$8,690,825.82 as of December 31, 2025. We have an appropriation of \$150,000 for 2026-2027. All this money is distributed to the applicants of the LRAP program each year. The appropriation has come from the state settlement cash fund. If the state settlement cash fund balance is under \$15,000,000, the Legal Education for Public Service and Rural Practice Loan Repayment Assistance fund will not have adequate funds to distribute as we have in the recent past.

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⁾ 1153

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ January 23, 2026 Phone: ⁽⁵⁾ 402-471-2793

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:

The State Treasurer’s Office doesn’t expect any fiscal impact from LB 1153 to the office.

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.....				

LB ⁽¹⁾ 1153 Change provisions relating to recovery under the Consumer Protection Act, provide a termination date for the State Settlement Cash Fund and for distribution of money in the fund, and change provisions **FISCAL NOTE**

State Agency OR Political Subdivision Name:⁽²⁾

University of Nebraska System

Prepared by:⁽³⁾

Anne Barnes

Date Prepared:⁽⁴⁾

01/28/2026

Phone:⁽⁵⁾

(402) 472-2191

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	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
CASH FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
FEDERAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
OTHER FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Explanation of Estimate:

No calculable fiscal impact at this time.

LB 1153 would establish a variable distribution of funds recovered by the State under the Nebraska Consumer Protection Act, including allocations to the University of Nebraska Medical Center for pediatric cancer research and to the University of Nebraska#Lincoln for specified programs. The amount distributed would fluctuate annually and depend entirely on the total amount of recoveries obtained by the State in a given year.

Because recovery amounts are not predictable and vary year to year, the University of Nebraska is unable to quantify the fiscal impact of LB 1153. Any potential fiscal impact would therefore be indeterminate and could be higher or lower depending on annual settlement activity. In addition, the Legal Education and Tenant Assistance programs were established as limited-duration initiatives under specific timelines, and any future funding would require re-evaluation of program scope.

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>
	<u>0</u>	<u>0</u>		
	<u>0</u>	<u>0</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				