

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	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 871 amends section 8-1,131 (2)(b) to provide that, with exceptions, funds credited to a medical savings account or health savings account below \$40,831, a change from \$25,000, are not susceptible to levy, execution, judgment, or other operation of law, garnishment, or other judicial enforcement and are not an asset or property of the account holder for purposes of bankruptcy law. The Department of Revenue (DOR) shall adjust the dollar limitation every fifth year starting July 1, 2030 for inflation.

The bill amends section 25-1558 (1)(b) to change the maximum part of the aggregate disposable earnings of an individual for any workweek which is subject to garnishment so it shall not exceed the lesser of subdivision (a) or the amount by which his or her disposable earnings for that week exceed 30 times the minimum wage rate as prescribed by section 48-1203.

The bill amends section 25-1559 to provide that there shall be exempt from levy and sale upon execution or attachment, to every resident of the State of Nebraska, who became disabled in the service of the U.S. as a soldier, sailor, or marine, all pension money hereafter received and all property hereafter purchased and improved exclusively therewith, not exceeding \$64,830 in value, of and belonging to such soldier, sailor, or marine. The DOR shall adjust the dollar limitation every fifth year starting July 1, 2030 for inflation.

The bill amends section 30-2322 to provide that a surviving spouse of a decedent who was domiciled in the state is entitled to a homestead allowance of \$29,142 for a decedent who dies on or after January 1, 2027. The DOR shall adjust the dollar limitation every fifth year starting July 1, 2030 for inflation.

The bill amends section 30-2323 to provide that the surviving spouse of a decent who was domiciled in this state is entitled from the estate to value not exceeding \$18,214 for a decedent who dies on or after January 1, 2027. The DOR shall adjust the dollar limitation every fifth year starting July 1, 2030 for inflation.

The bill amends section 40-101 to provide that each natural person in this state shall have exempt from judgment liens and from execution or forced sale, except as provided in section 40-101 to 40-116, a homestead not exceeding \$228,148, a change from \$120,000, in value. The DOR shall adjust the dollar limitation every fifth year starting July 1, 2030, to reflect the statewide average residential value for single-family residential properties.

The bill amends section 44-371 to provide that an individual's aggregate interests greater than \$129, 803, a change from \$100,000, in all loan values or cash values of all matured or unmatured life insurance contracts and in all proceeds, cash values, or benefits accruing under all annuity contracts owned by such individual are subject to attachment, garnishment, or other legal or equitable process and claims of creditors. The DOR shall adjust the dollar limitation every fifth year starting July 1, 2030 for inflation.

The bill amends section 44-1089 to provide that an individual's aggregate interests greater than \$163,326 a change from \$100,000, in all loan values or cash values of all matured or unmatured life insurance contracts and in all proceeds, cash values, or benefits accruing under all annuity contracts owned by such individual are subject to attachment, garnishment, or other legal or equitable process and claims of creditors. The DOR shall adjust the dollar limitation every fifth year starting July 1, 2030 for inflation.

The operative date for this bill is three months after the adjournment of the Legislature.

Minimal fiscal impact.

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

2026

LB⁽¹⁾ 871

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Banking and Finance

Prepared by: ⁽³⁾ John Drahota Date Prepared: ⁽⁴⁾ 01/16/2026 Phone: ⁽⁵⁾ (402) 471-4954

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:

No fiscal impact.

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.....				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 871	AM:	AGENCY/POLT. SUB: Supreme Court
REVIEWED BY: Kimberly Burns	DATE: 02/03/2026	PHONE: (402) 471-4171
COMMENTS: Concur with the Supreme Court's estimate of minimal fiscal impact from LB 871 that can be absorbed with current resources.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 871	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Kimberly Burns	DATE: 02/02/2026	PHONE: (402) 471-4171
COMMENTS: The Department of Revenue's estimate of no fiscal impact on General Fund revenues and negligible impact on the agency from LB 871 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 871	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor
REVIEWED BY: Kimberly Burns	DATE: 01/30/2026	PHONE: (402) 471-4171
COMMENTS: Concur with the Nebraska Department of Labor's estimate of no fiscal impact from LB 871.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 871	AM:	AGENCY/POLT. SUB: Department of Health and Human Services
REVIEWED BY: Kimberly Burns	DATE: 01/30/2026	PHONE: (402) 471-4171
COMMENTS: Concur with the Department of Health and Human Services' estimate of no fiscal impact from LB 871.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 871	AM:	AGENCY/POLT. SUB: Department of Insurance
REVIEWED BY: Kimberly Burns	DATE: 01/27/2026	PHONE: (402) 471-4171
COMMENTS: Concur with the Department of Insurance's estimate of no fiscal impact from LB 871.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 871	AM:	AGENCY/POLT. SUB: Department of Banking and Insurance
REVIEWED BY: Ryan Yang	DATE: 1/20/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Department of Banking and Insurance assessment of no fiscal impact from LB 871.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 871	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)
REVIEWED BY: Ryan Yang	DATE: 1/14/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the NACO assessment of minimal fiscal impact from LB 871.		

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) John Meals

Date Prepared 1-29-2026

Phone: (5) 471-6719

FY 2026-2027**FY 2027-2028**

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

Return by date specified 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

There is no impact to the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE**PERSONAL SERVICES:**

POSITION TITLE	NUMBER OF POSITIONS		2026-2027	2027-2028
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Insurance

Prepared by: ⁽³⁾ Jordan Blades

Date Prepared: ⁽⁴⁾ 1/15/26

Phone: ⁽⁵⁾ 402-471-4638

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 Department does not anticipate any fiscal impact at this time.

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⁾ 871

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Labor

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 01/13/2026 Phone: ⁽⁵⁾ 402-416-6809

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: There is no fiscal impact to the Nebraska Department of Labor for LB 871.

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⁾ 871

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

	<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:

LB871 would increase and provide amounts for inflation adjustments for amounts exempt from judicial enforcement and the homestead property allowances. applications.

The fiscal impact LB826 would have on counties is minimal because the state reimburses the counties for homestead exemptions.

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.....			_____	_____

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:				
Approved by: James R. Kamm		Date Prepared: 01/30/2026		Phone: 471-5896				
	<u>FY 2026-2027</u>			<u>FY 2027-2028</u>			<u>FY 2028-2029</u>	
	<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$ 0			\$ 0			\$ 0
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ 0			\$ 0			\$ 0

LB 871 would amend Neb. Rev. Stat. § 8-1,131 by increasing the amount of funds credited to a medical savings account or health savings which are protected from creditors from \$25,000 to \$40,000 and require this amount be adjusted for inflation by the Department of Revenue every fifth year beginning July 1, 2030 in an amount equal to the cumulative percentage change in the Consumer Price Index for All Urban Consumers.

LB 871 would amend Neb. Rev. Stat. § 25-1558 so that the maximum aggregate disposable earnings of an individual for any workweek regarding the limit of thirty times the federal minimum hourly wage prescribed by 29 U.S.C. 206(a)(1) is changed to thirty times Nebraska's minimum wage rate as prescribed by Neb. Rev. Stat. § 48-1203.

LB 871 would amend Neb. Rev. Stat. § 25-1559 by increasing the judicial levy and sale exemption for disabled soldiers, sailors, or marines from \$2,000 to \$64,830. Neb. Rev. Stat. § 2323 would also be amended by increasing the personal property allowance from \$12,000 to \$18,200 for any decedent who dies on or after January 1, 2027.

LB 871 would amend Neb. Rev. Stat. § 30-2322 by increasing the homestead allowance of a surviving spouse from \$20,000 to \$29,000 for a decedent who dies on or after January 1, 2027.

LB 871 would amend Neb. Rev. Stat. § 40-101 by increasing the value of a homestead that may be exempt from judgment liens and from execution or forced sale, except as provided in 40-101 to 40-116, from \$120,000 to \$228,000. The Department of Revenue must adjust this amount to every 5 years beginning on July 1, 2030, to reflect the statewide average residential value for single-family residential properties using the values certified to the Department of Revenue pursuant to Neb. Rev. Stat. § 77-3506.02.

LB 871 would amend Neb. Rev. Stat. § 44-371 by increasing the amount subject to (for annuities, life insurance, or other accident or health insurance payable on the death of the insured) attachment, garnishment, other legal or equitable process or claims of creditors from \$100,000 to \$190,000. LB 871 would similarly amend Neb. Rev. Stat. § 44-1089 by changing the amount subject to such claims from \$100,000 to \$163,326.

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

LB 871 would require the Department of Revenue to adjust each of these changed amounts, except the amounts in Neb. Rev. Stat. § 25-1558 and 40-101, for inflation every fifth year beginning July 1, 2030, in an amount equal to the cumulative percentage change in the Consumer Price Index for All Urban Consumers.

It is estimated that LB 871 will have no impact on the General Fund revenues.

It is estimated that there will be minimal costs for the Department of Revenue to implement this bill.

The operative date for this bill is three months after the adjournment of the legislature.

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

2026

LB⁽¹⁾ 871

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/1/2026 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION				
	FY 2026-27		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Minimal fiscal impact to provide judicial and court staff education. No additional resources required.

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.....				