

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	2,270,000	0	0	2,270,000
FY2027-2028	0	2,270,000	0	0	2,270,000
FY2028-2029	0	2,270,000	0	0	2,270,000

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

LB 1062 changes provisions relating to the Insurance Producers Licensing Act and the Pharmacy Benefit Manager Licensure and Regulation Act.

Insurance Producers Licensing Act:

LB 1062 amends provisions of the Insurance Producers Act to include retaliatory licensing fees. Before a license is issued or renewed, a nonresident insurance producer or business entity would pay the greater of the two below:

- The fee imposed by the state of Nebraska, not to exceed \$100 for insurance producer licenses or \$50 for business entities, OR
- The fee charged by the producer's or entity's home state to Nebraska residents

The bill would also grant the Director of Insurance the authority to cancel the nonresident licensee's license if the license is no longer active in the licensee's home state by sending a license revocation to the licensee. The licensee would be able to demand in writing a hearing before the director to prove validity of the license. Hearing would be held within 30 days of request. However, if the director has notice the nonresident licensee failed to maintain, in good standing, a resident license in the producer's home state, the director could revoke the license and would not be required to issue an order of license revocation.

Pharmacy Benefit Manager Licensure and Regulation Act:

LB 1062 would establish penalty requirements for failing to renew the pharmacy benefit manager's license under the Pharmacy Benefit Manager Licensure and Regulation Act. The pharmacy benefit manager would be required to pay a fee of \$100 per day, as well as, suspension of the license until compliance with the Act.

The bill would also allow the Director of Insurance to grant an extension not to extend 30 days to allow the renewal application and fee to be filed without enforcing the penalty fee and license suspension. Pharmacy benefit managers must notify the director of any circumstances affecting their qualification for license in Nebraska.

The Department of Insurance indicates the fees for nonresident insurance producers and business entities have already been increased to the maximum amounts. However, the department's research shows 20 states have higher business entity fees and 12 states have higher insurance producer fees than Nebraska. This would impact 2,997 nonresident business entities and 21,696 nonresident insurance producers in Nebraska, which would result in an estimated \$2,270,000 increase in revenue annually. The department could not provide an estimate on the impact of the late fees imposed on pharmacy benefits managers due to the number of late renewal filings being indeterminate. The department also states the fines do not affect the agency since all fines are paid to the State Treasurer in accordance with Article VII Section 5 of the Nebraska State Constitution.

The Department of Administrative Services, the Department of Health and Human Services, and the University of Nebraska estimate no fiscal impact.

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

2026

LB⁽¹⁾ 1062

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) Personnel – Wellness & Benefits

Prepared by: ⁽³⁾ Jennifer Norris Date Prepared: ⁽⁴⁾ 1/15/26 Phone: ⁽⁵⁾ 402 480 9728

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 1062 requires notification of certain changes under the Pharmacy Benefit Manager Licensure and Regulation Act.

This bill provides for a fine and suspension if a pharmacy benefit manager fails to meet the application and renewal requirements as prescribed in the bill.

The requirements are on the pharmacy benefit manager to maintain its license. There is no responsibility on the part of the State, and therefore no impact to the State of Nebraska's health or prescription plans.

There is no fiscal impact.

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: 1062	AM:	AGENCY/POLT. SUB: Department of Insurance
REVIEWED BY: Ryan Walton	DATE: 1/30/2026	PHONE: (402) 471-4174
COMMENTS: Concur with the Department of Insurance's assessment of fiscal impact from LB 1062.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1062	AM:	AGENCY/POLT. SUB: Department of Health and Human Services (DHHS)
REVIEWED BY: Ryan Walton	DATE: 1/30/2026	PHONE: (402) 471-4174
COMMENTS: Concur with the DHHS' assessment of no fiscal impact from LB 1062.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1062	AM:	AGENCY/POLT. SUB: University of Nebraska System
REVIEWED BY: Ryan Walton	DATE: 1/25/2026	PHONE: (402) 471-4174
COMMENTS: Concur with the University of Nebraska System's assessment of no fiscal impact from LB 1062.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1062	AM:	AGENCY/POLT. SUB: Department of Administrative Services (DAS)
REVIEWED BY: Ryan Walton	DATE: 1/22/2026	PHONE: (402) 471-4174
COMMENTS: The DAS' assessment of no fiscal impact from LB 1062 appears reasonable.		

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 fiscal 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

LB⁽¹⁾ 1062

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jordan Blades

Date Prepared: ⁽⁴⁾ 1/16/26

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		2,270,000		2,270,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		2,270,000		2,270,000

Explanation of Estimate:

LB 1062 reinstates retaliatory licensing fees for insurance producers and agencies. Under LB 1062, when a nonresident insurance producer or agencies applies for, renews, or reinstates their license, they would pay the higher amount of the amount charged by their home state, or the amount Nebraska currently charges for nonresident licenses.

The fees for nonresident insurance producer and agency licenses were already increased to the maximum amount administratively, specifically to \$100 for individual producers and \$50 for insurance agencies for a two-year license. Our research indicates that twenty states have higher agency fees than Nebraska. Currently, that would impact 2,997 non-resident insurance agencies. Twelve states have higher licensing fees for producers. Currently, that would account for 21,696 non-resident licenses in Nebraska.

The department anticipates this would result in an increase in revenue of \$2,270,000 annually.

Additionally, LB 1062 allows the Department to fine Pharmacy Benefit Managers (PBM's) for violating the PBM act by failing to file a timely renewal application or pay the renewal fee. This would allow the Department to collect penalties and fines faster. For cases where a late fee would be due, this may increase the size of the total penalty. This does not affect agency funds as all fines are paid to the State Treasurer in accordance with Article VII, section 5, of the Constitution of Nebraska. The impact of this is indeterminate as the number of PBMs filing late for renewal cannot be predicted.

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		

State Agency OR Political Subdivision Name:⁽²⁾ University of Nebraska System

Prepared by:⁽³⁾ Anne Barnes

Date Prepared:⁽⁴⁾ 01/22/2026

Phone:⁽⁵⁾ (402) 472-2191

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026 - 27		FY 2027 - 28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0.00	0.00	0.00	0.00
CASH FUNDS	0.00	0.00	0.00	0.00
FEDERAL FUNDS	0.00	0.00	0.00	0.00
OTHER FUNDS	0.00	0.00	0.00	0.00
TOTAL FUNDS	0.00	0.00	0.00	0.00

Explanation of Estimate:

No Fiscal Impact.

The requirements of this legislative bill are directed towards pharmacy benefit managers and state regulators. The bill does not create any additional requirements for the University of Nebraska.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026 - 27	2027 - 28
	26 - 27	27 - 28	EXPENDITURES	EXPENDITURES
	0	0		
	0	0		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				