

# 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	1,000	0	0	0	1,000
FY2027-2028	1,000	0	0	0	1,000
FY2028-2029	1,000	0	0	0	1,000

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

LB 1128 amends the Nebraska Liquor Control Act.

The bill provides that as part of an entertainment district designation, a local governing body may designate consumption-only areas of such district.

Under the bill, a business that is located within the boundaries of an entertainment district but that does not hold a retail, craft brewery, microdistillery, or manufacturer's license under the Act may apply to the Nebraska Liquor Control Commission (NLCC) for a consumption-only class of entertainment district license on forms prescribed by the NLCC. Such application shall include a license fee of \$25 payable to the NLCC.

The NLCC shall grant such licenses so long as the local governing body has:

- Designated consumption-only areas for such entertainment district; and
- Approved the applicant's consumption-only class of entertainment district license prior to submission of the same to the NLCC.

Such class of consumption-only entertainment district license shall authorize the holder to allow alcoholic beverages sold within the boundaries of an entertainment district by other entertainment district licensees to be carried in and out of such holder's business premises by patrons, so long as such business does not sell or serve such alcoholic liquor and otherwise complies with the Nebraska Liquor Control Act, especially those provisions forbidding consumption of alcoholic liquor by minors.

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

The NLCC estimates a General Fund revenue increase of \$750-\$1,250 per year as a result of the \$25 fee under the bill. We estimate a General Fund revenue increase of \$1,000 per year by averaging the low and high of the range provided by NLCC.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1128	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY:	Jennifer Alcazar	DATE: 1/27/2026	PHONE: (402) 471-4169
COMMENTS: No basis to disagree with the Nebraska Association of County Officials' minimal fiscal impact as a result of LB 1128.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1128	AM:	AGENCY/POLT. SUB: Lancaster County Clerk	
REVIEWED BY:	Jennifer Alcazar	DATE: 1/23/2026	PHONE: (402) 471-4169
COMMENTS: No basis to disagree with the Lancaster County Clerk's estimate of no fiscal impact as a result of LB 1128.			

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County Clerk

Prepared by: <sup>(3)</sup> Matt Hansen

Date Prepared: <sup>(4)</sup> 1-22-2026

Phone: <sup>(5)</sup> 402-441-8721

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	0	0	0	0

Explanation of Estimate:

No fiscal impact. The provisions of LB1128 would not change how our office handles liquor license applications.

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<sup>(1)</sup> 1128

FISCAL NOTE

State Agency OR Political Subdivision  
Name: <sup>(2)</sup>

Liquor Control Commission

Prepared by: <sup>(3)</sup> Micah Chaffee

Date Prepared: 1/27/2026  
<sup>(4)</sup>

Phone: <sup>(5)</sup> 402-471-2571

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<b>FY 2026-27</b>		<b>FY 2027-28</b>	
	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>
GENERAL FUNDS		1,250		1,250
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Explanation of Estimate:**

LB 1128 creates a new consumption-only entertainment district license allowing businesses located within a locally designated entertainment district to permit on-premises consumption of alcoholic beverages purchased from properly licensed establishments within the district, provided the city designates the area for consumption-only use and the business pays a \$25 application fee to the Nebraska Liquor Control Commission.

The license does not authorize the sale or service of alcohol, so the Commission anticipates no additional enforcement, tax administration, or inspection costs, and all administrative duties (application processing, issuance, and recordkeeping) can be absorbed within existing staff and systems.

Based on existing entertainment district locations and adjacent downtown retail areas that could reasonably seek participation if districts expand, the Commission estimates 30–50 potential licenses statewide, resulting in projected annual revenue of approximately \$750–\$1,250, which is nominal and not expected to have a material impact on the agency's budget.

LB 1128 establishes a \$25 application fee for the consumption-only entertainment district license but does not direct that the fee be credited to any specific cash fund. Since LB 1128 does not designate a cash fund for fee revenue, such revenue is deposited into the General Fund. Accordingly, the projected annual revenue of approximately \$750–\$1,250 is reflected as General Fund revenue.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

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

_____	_____
_____	_____
_____	_____
_____	_____

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

2026

LB<sup>(1)</sup> 1128

FISCAL NOTE

State Agency OR Political Subdivision  
Name: <sup>(2)</sup>

Nebraska Association of County Officials (NACO)

Prepared by: <sup>(3)</sup> Elaine Menzel

Date Prepared: 1/26/2026

Phone: <sup>(5)</sup> 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

FY 2026-27

FY 2026-27

	<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:

LB1128 would change provisions related to entertainment district license under the Nebraska Liquor Control Act.

Minimal fiscal impact for the processing related to designating a consumption-only area of an entertainment district.

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.....				
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Travel.....				
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Capital				
outlay.....				
Aid.....				
.				
Capital				
improvements.....				
TOTAL.....				