

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	136,785	0	0	0	136,785
FY2027-2028	126,615	0	0	0	126,615
FY2028-2029	126,615	0	0	0	126,615
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 1193 amends section 13-518 to provide that funds received pursuant to the nameplate capacity tax levied under section 77-6203 for the first five years after an energy storage resource has been commissioned are nonrestricted funds.

The bill amends section 70-1001.01 to provide requirements of energy storage resources. Among these requirements, any energy storage resource in the state shall comply with the minimum codes and standards for energy storage resource equipment or facilities in effect at the time of construction of the resource established by the International Fire Code, as adopted and amended by the State Fire Marshal, and National Fire Protection Association 855, Standard for the Installation of Stationary Energy Storage Systems. Where a conflict exists between the International Fire Code and National Fire Protection Association 855, Standard for the Installation of Stationary Energy Storage Systems, National Fire Protection Association 855, Standard for the Installation of Stationary Energy Storage Systems, shall control.

The bill amends section 77-105 to provide that tangible personal property includes all depreciable tangible personal property described in subsection (9) of section 77-202 used in the generation of electricity using wind, solar, biomass, or landfill gas as the fuel source or in the storage of such electricity in an energy storage resource or as an energy storage resource.

The bill amends section 77-202 to provide that any depreciable tangible personal property used in the generation of electricity using wind as the fuel source or in the storage of such electricity in an energy storage resource shall be exempt from the property tax levied on depreciable tangible personal property. Any depreciable tangible personal property used in the generation of electricity using solar, biomass, or landfill gas as the fuel source or in the storage of such electricity in an energy storage resource shall be exempt from property tax levied on depreciable tangible personal property if such depreciable tangible personal property was installed on or after January 1, 2026, and has a nameplate capacity of 100 kilowatts or more. For tax years beginning on or after January 1, 2027, any depreciable tangible personal property used as an energy storage resource shall be exempt from the property tax levied on depreciable tangible personal property if such depreciable tangible personal property has a nameplate capacity of 100 kilowatts or more.

The bill amends section 77-6203 to provide that the owner of an energy storage resource annually shall pay a nameplate capacity tax equal to the total nameplate capacity of the commissioned energy storage resource multiplied by a tax rate of \$2,952 per megawatt. On or before March 1 of each year, the owner of a renewable energy generation facility or energy storage resource subject to the nameplate capacity tax shall file a report with the county treasurer and provide a copy to the Department of Revenue (DOR). Upon receipt of the report, the county treasurer shall calculate the amount of the nameplate capacity tax based on the reported nameplate capacity and the tax rate. The county treasurer shall, prior to April 1 of each year, notify the owner of the amount of tax due and the date such tax is due. The DOR shall review all reports filed for accuracy, consistency, and compliance. The DOR may audit facilities as necessary to verify reported nameplate capacity.

Beginning January 1, 2027, energy storage resources shall be subject to the nameplate capacity tax. The amount of property tax on depreciable tangible personal property that an energy storage resource incurred before January 1, 2027, shall be credited against any tax the resource incurs under Chapter 77 on or after January 1, 2027, and any amount so credited that is unused in any tax year shall be carried over to subsequent tax years until fully utilized.

Under the bill, all nameplate capacity taxes shall be due on April 1 and shall be paid to the county treasurer of each county in which the renewable energy generation facility or energy storage resource is located.

The bill amends section 77-6204 to change the distribution of nameplate capacity tax levied on or after January 1, 2027 to as follows:

- 95% to counties in proportion to the amount of tax paid by renewable energy generation facilities or energy storage resources physically located in each county.
- 5% to community college areas

The bill is operative on January 1, 2027.

The State Fire Marshal estimates a need for 1.0 FTE Deputy Fire Marshal, \$6,000 for National Fire Protection Association pamphlets, initial operations set up costs, and travel expenses. We estimate that 0.75 FTE Deputy Fire Marshal is needed in FY27 based on the operative date of the bill.

Lancaster County estimates initial costs for setting up a system for calculating and billing nameplate capacity taxes as well as additional costs for additional owners besides the current ones.

The change to the nameplate capacity distribution is estimated to eliminate the revenue to local taxing entities other than counties and community college areas.

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2026

LB⁽¹⁾ 1193

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

State Fire Marshal

Prepared by: ⁽³⁾ Regina Shields/Deb
Hostetler

Date Prepared: 1/28/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-9477

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	164,750		126,615	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	164,750		126,615	

Explanation of Estimate:

LB 1193 will require the Agency to utilize the National Fire Protection Association 855, Standard for the Installation of Stationary Energy Storage Systems. The Agency would be responsible for utilizing NFPA 855 when reviewing plans for new construction and inspections of facilities with energy storage resource equipment. The Agency has not adopted this NFPA pamphlet so would have to purchase this new code for all staff members needed for the plan reviews and inspections. The cost of this would be \$6,000 (\$150 per edition for 40 staff members). The Agency is already aware of some of these facilities, but the total number of reviews and inspections that will be required is unknown at this time; this is a rapidly growing area so it is believed the need will continue to grow. The Agency will need to add one new Inspection Deputy to help offset the increased workload requirements generated by the bill. The first-year costs for the new position include: salary and benefits; initial operations set up costs for items such radios, vehicle leasing, vehicle set up with specialized equipment, home office furniture, uniforms, and general office supplies; and travel expenses such as vehicle maintenance and lodging expenses. The total costs for FY26-27 are \$164,750. The total costs for FY 27-28 are \$126, 615 with the decrease being a reflection of not having to purchase the Code, as well as not having to purchase all the of the initial set-up items for a new Deputy position.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 EXPENDITURES	2027-28 EXPENDITURES
	26-27	27-28		
Deputy Fire Marshal	1	1	55,577	58,356
Benefits.....			39,075	41,004
Operating.....			52,883	10,040
Travel.....			17,215	17,215
Capital outlay.....				
Aid.....				

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

2026

LB⁽¹⁾ 1193

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

LINCOLN ELECTRIC SYSTEM (LES)

Prepared by: ⁽³⁾ MATT ANDERSEN

Date Prepared: 02/02/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-473-3203

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				
OTHER FUNDS				
TOTAL FUNDS	\$0		\$0	

Explanation of Estimate:

Since LES is not subject to the nameplate capacity tax, LB 1193 is not expected to have a financial impact to LES.

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.....				

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

2026

LB⁽¹⁾ 1193

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Lancaster County, Nebraska

Prepared by: ⁽³⁾ Dennis Meyer

Date Prepared: 1/27/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-441-6869

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		\$19K		
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

In tax year 2025, renewable energy facilities located in Lancaster County generated approximately \$24K in nameplate capacity tax revenue, of which Lancaster County received \$4K under current distribution statutes. LB1193 would reallocate nameplate capacity tax revenue beginning January 1, 2027, distributing 95 percent directly to the county in which the facilities are located. Based on current capacity, Lancaster County's annual revenue would increase to approximately \$23K, representing a net annual increase of approximately \$19K.

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.....				

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

2026

LB⁽¹⁾ 1193

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Lancaster County Treasurer

Prepared by: ⁽³⁾ Rachel Garver

Date Prepared: ⁽⁴⁾ Jan. 27, 2026

Phone: ⁽⁵⁾ 402-441-7425

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$500-\$1,000		\$250-\$500	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$500-\$1,000		\$250-\$500	

Explanation of Estimate:

Initial costs for setting up a system for calculating and billing nameplate capacity taxes for the two owners currently paying nameplate taxes are estimated to be \$500 to \$1,000. Adding additional owners should be minimal in cost and is estimated to be about \$250 to \$500.

There is no revenue for county treasurers in this bill.

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⁾ 1193

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska Power Review Board

Prepared by: ⁽³⁾ Tim Texel

Date Prepared: ⁽⁴⁾ January 22, 2026

Phone: ⁽⁵⁾ 402-471-2301

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 Power Review Board (PRB) does not believe LB 1193 would cause a fiscal impact on the PRB that is not already anticipated under existing law. Much of the bill pertains to changes in the nameplate capacity tax, in which the PRB has no role. Section 3 creates procedures providing the PRB with certification or approval authority for proposed energy storage resources (ESR), whether constructed by public or private entities. Current law does not explicitly address the PRB's jurisdiction over ESRs or whether private entities are authorized to construct ESRs in Nebraska. However, pursuant to PRB Guidance Document 14 the PRB has determined that it has jurisdiction over publicly and privately owned ESRs under existing Nebraska law. LB 1193 would essentially codify the PRB's interpretation regarding its authority over ESRs. Based on the PRB's interpretation of current law expressed in Guidance Document 14, LB 1193 would not create additional costs that the PRB does not already believe are within the PRB's jurisdiction.

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	_____	_____	_____	_____

Facilities would be subject to the tax beginning January 1, 2027. The amount of property tax on the depreciable tangible personal property incurred before this date would offset any nameplate tax incurred thereafter and be carried forward until completely offset.

The county treasurer would be required to report annually to the DOR the total tax collected and the distribution for audit and verification purposes. Currently the county treasurer distributes revenue from nameplate capacity tax pursuant to Neb. Rev. Stat. § 77-6204. As amended, the county treasurer would still distribute the revenue, but the distribution formula would change beginning on Jan. 1, 2027, so that 95% of proceeds will be distributed to the counties in proportion to amount of tax paid and 5% would still be distributed to the community college areas pro rata to the tax paid in each area.

It is estimated that this bill will have no impact on General Fund revenues.

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