

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	252,468	0	0	0	252,468
FY2027-2028	255,923	0	0	0	255,923
FY2028-2029	255,923	0	0	0	255,923
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.

LB1185 adopts the Conversational Artificial Intelligence Safety Act.

The bill requires clear disclosure when a user could reasonably believe they are interacting with a human and adds additional safeguards for minor account holders, including recurring AI disclaimers, limits on engagement-based rewards, and reasonable measures to prevent sexually explicit or sexualizing content and the system presenting itself as human or fostering emotional or romantic dependence.

The bill also requires a protocol to respond to prompts involving suicidal ideation or self-harm that includes referral to crisis services and prohibits the service from explicitly claiming it is designed to provide professional mental or behavioral health care.

The Nebraska Attorney General may enforce the act through civil actions, and the act does not create a private right of action. The act becomes operative on July 1, 2027.

The Attorney General states its office needs at least one additional full-time attorney to enforce the act, with estimated costs of \$252,468 in FY26-27 and \$255,923 in FY27-28. The Attorney General also notes that enforcement and litigation could require additional funding, depending on workload, and that technical or complex cases can involve significant expert witness costs, which may exceed \$100,000 per case.

The Supreme Court states the fiscal impact is minimal for judicial education, and no additional resources are needed.

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

2026

LB⁽¹⁾ 1185

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

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	252,468		255,923	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	252,468		255,923	

Explanation of Estimate:

LB1185 would have a fiscal impact on the Attorney General's Office (AGO). The Conversational Artificial Intelligence Safety Act will require the AGO to hire at least one full-time attorney to enforce the Act. The AGO will likely need additional funding for its enforcement and litigation efforts, which could amount to a large volume of matters. For context, expert fees in technical or otherwise complex lawsuits often surpass \$100k in expert fees alone.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Assistant Attorney General	1.0	1.0	100,000	103,000
Benefits			52,468	52,923
Operating			100,000	100,000
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			252,468	255,923

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

LB: 1185 AM: AGENCY/POLT. SUB: Supreme Court
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REVIEWED BY: Ashley Dempsey	DATE: 2/5/26	PHONE: (402) 326-2182
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COMMENTS: Concur with the Supreme Court's assessment of minimal fiscal impact from LB 1185.

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

LB: 1185 AM: AGENCY/POLT. SUB: Attorney General

REVIEWED BY: Ashley Dempsey	DATE: 1/29/26	PHONE: (402) 326-2182
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COMMENTS: No basis to dispute the Attorney General's estimated fiscal impact as a result of LB 1185.
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Please complete **ALL** (5) blanks in the first three lines.

2026

LB⁽¹⁾ 1185

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe

Date Prepared: ⁽⁴⁾ 2/4/2026

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:

Minor fiscal impact to provide judicial education. No additional resources required.

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.....