

**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	14,750,000	0	0	14,750,000
FY2027-2028	0	14,750,000	0	0	14,750,000
FY2028-2029	0	14,750,000	0	0	14,750,000

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

The intent of LB 1173 is to rename the Contractor and Professional Employer Organization Registration Cash Fund (to add the word "Business" after "Contractor"); issue an annual filing fee under the Employment Security Law to fund the Fund; and change the permitted uses of the Fund.

Section 1 adds language to allow the Nebraska Department of Labor (NDOL) to implement a new annual filing fee to employers who are subject to the Employment Security Law and who file quarterly wage reports. The fee may not exceed two hundred fifty dollars (\$250), and will be credited to the re-named Cash fund.

Section 2 renames the Cash fund to add the word, "Business".

Sections 3 & 4 harmonize other statutes to incorporate the updated fund name for existing NDOL fees.

Section 5 expands the allowed uses of the re-named fund, to include more of the activities for which NDOL is responsible. Language is added to prevent transfers from this Cash fund to the Workforce Development Program Cash fund unless requested by NDOL and approved by the Governor.

The NDOL fiscal note includes a chart showing the levels of revenue that could be realized at varying fee amounts, assuming that about 59,000 employers would each pay the same fee. The revenue estimate above assumes the highest potential fee of two hundred fifty dollars (\$250) annually per qualified employer. There are no new expenses associated with LB 1173.

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

LB: 1173      AM:      AGENCY/POLT. SUB: Nebraska Department of Labor (NDOL)

REVIEWED BY: Ryan Yang      DATE: 1/29/2026      PHONE: (402) 471-4178

COMMENTS: Concur with the NDOL assessment of positive fiscal impact from LB 1173.

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

Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Rea Easton

Date Prepared: <sup>(4)</sup> 01/29/2026

Phone: <sup>(5)</sup> 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		14,750,000		14,750,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		14,750,000		14,750,000

**Explanation of Estimate:** Employer wage reports are federally required under 42 U.S.C.A. §§ 503(f) and 1320b-7 as part of the unemployment insurance system. Under Neb. Rev. Stat. § 48-648, the Commissioner of Labor may require employers subject to the Nebraska Employment Security Law (NESL) to submit wage reports in the form and manner prescribed.

This bill would amend the NESL to allow the Commissioner of Labor, by rule and regulation, to establish and collect an annual filing fee. All fees collected would be deposited into the Contractor and Professional Employer Organization Registration Cash Fund (to be renamed). The bill also clarifies that this fund may be used to administer Nebraska’s unemployment insurance program, programs enforced by the Department’s labor standards division, and workforce development grants.

Based on a quarterly average of all reports filed in 2024, approximately 59,000 employers would be subject to the fee. Estimated revenue by fee amount is as follows:

Fee	Revenue
\$50	\$ 2,950,000
\$75	\$ 4,425,000
\$100	\$ 5,900,000
\$150	\$ 8,850,000
\$200	\$ 11,800,000
\$250	\$ 14,750,000

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.....**

_____	_____
_____	_____
_____	_____
_____	_____