PREPARED BY:	Nikki Swope
DATE PREPARED:	May 01, 2023
PHONE:	402-471-0042

LB 92

Revision: 02

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

As amended with updated DED response to AM 1379

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	$10,004,220		$23,885,360	
CASH FUNDS	$47,433		$49,235	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	$10,051,653		$23,934,595	

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

LB 92 eliminates the requirement that title insurers conduct their annual investigations of title agents solely onsite. No fiscal impact.

LB 92 was amended by **AM 1364** which contained the following bills:

LB 145 expands breast cancer screening coverage to women under the age of 40 and who have a family history of breast cancer. The bill further allows for defined interval examinations considered medically necessary by the patient's healthcare provider for women of all ages.

This expansion will have a fiscal impact for the state for breast cancer screening coverage through the health insurance exchange. The Department of Insurance (DOI) indicates that under the Affordable Care Act if state law mandates insurers to cover benefits that are not included as an essential benefit in the final U. S. Health and Human Services essential benefits list, then any costs for benefits that are not on the list must be paid by the state. The essential benefits list does not cover breast cancer screenings for women under the age of 40 and for certain types of screenings as defined by the bill.

The Department contacted several insurers and asked for an initial estimate of the costs associated with coverage of the new mandated benefits as proposed in AM1364. The estimates from insurers for increased premium costs for their plans varied from $0 per member per month to $0.83 per member per month, with approximately 100,000 enrollees in the ACA marketplace. These estimates are based upon projected utilization and relevant enrollee population. These costs are indeterminable; however, utilizing these projections, the DOI anticipates that expenditures for these services will increase premiums for health insurance plans issued to Nebraskans purchasing polices through the exchange by about $470,000 per year based on an average of the estimates.

It is assumed the cost to provide insurance benefits to persons pursuant to LB 92 will be funded with general funds rather than cash funds from the Department of Insurance Cash Fund because the expenditure of funds for insurance benefits for individuals would not be a permissible use of this cash fund. The DOI assumes that insurers will ask for payment by filing a miscellaneous claim with the state. The required coverage will apply to plans issued beginning January 1, 2024, which means there will be an estimated general fund fiscal impact of $235,000 in FY24 and $470,000 in FY25.

LB 383 would change provisions relating to coverage for screenings for colorectal cancer to include stool-based preventative tests and to prohibit insurance policies from imposing deductibles, co-insurance, or cost-sharing requirements for these types of screening services. There will be an indeterminable, but likely insignificant, fiscal impact for health insurance plan rates for the State of Nebraska and University System employees.

LB 437 would change the renewal period for insurance producer agencies from an annual to biennial basis, with the licenses renewing in April of each odd-numbered year. The bill has an operative date of 4/30/24. The Department of Insurance (DOI) currently has ten thousand two hundred eighty-five agency licenses with an annual fee of $50 per agency. In odd-numbered years, the DOI would not be processing these renewals. This would result in a revenue loss in FY 2024-25 of ($514.250) and would have a continued revenue loss in the odd-numbered years in the future bienniums.

CONTINUED ON PAGE 2

LB 779 would require that any individual or group health insurance policy or any self-funded employee benefit plan, to the extent not preempted by federal law, and limit the total amount covered individuals are required to pay for prescription insulin drugs at an amount not to exceed thirty-five dollars per thirty-day supply, regardless of the amount or type of insulin needed to fulfill the covered individual's prescription. There will be an indeterminable, but likely insignificant, fiscal impact for health insurance plan rates for the State of Nebraska and University System employees.

LB 392 would authorize the electronic delivery of health plan documents and to define the terms. No fiscal impact.

LB 536 changes provisions relating to investment by insurers in preferred and common stock. No fiscal impact.

LB 587 would create the Insurance Regulatory Sandbox Act. The Act would create a regulatory "sandbox" program within the Nebraska Department of Insurance (NDOI), which would allow a participant to temporarily test an innovative insurance product or service without obtaining a license or other authorization that otherwise might be required. The bill provides duties and obligations to NDOI as outlined in the bill. NDOI anticipates a need for a .5 FTE financial examiner that would be dedicated to monitoring sandbox applicants and participants. NDOI also anticipates annual revenue from the collection of $50 per application filing fee as established by the bill; however, the revenue would be minimal and indeterminate. NDOI anticipates a need for a .5 FTE financial examiner that would be dedicated to monitoring sandbox applicants and participants. The fiscal impact for the Department of Insurance: $47,433 in Cash Funds for FY 2023-24 and $49,235 in FY 2024-25.

LB 3 changes duties and requirements regarding the levying of bonds. Also, LB 3 adds that if the legal voters of a political subdivision have approved a bond since the last time taxable values were certified, the governing body of the political subdivision is to file a copy of the bond language approved by the voters and a full legal description of the property subject to the bond with the county assessor. No fiscal impact.

LB 207 would clarify that notices announcing the future sale of trust property could also be posted in buildings where county offices are held. No fiscal impact.

LB 674 would make changes to the Nebraska Banking Act and the Nebraska Financial Innovation Act. No fiscal impact.

LB 669 would allow the Director of Banking and Finance to prescribe conditions on banks, trust companies, credit unions, building and loan associations, savings and loan associations and digital asset depositories as part of any written order, decision, or determination required to be made pursuant to the Nebraska Banking Act, Chapter 8, article 3, the Credit Union Act, and the Nebraska Financial Innovation Act. No fiscal impact.

LB 68, as amended by AM 371, relates to the Nebraska Hospital-Medical Liability Act (NHMA). The bill proposes increasing the minimum amount of proof of financial responsibility of medical malpractice liability for all healthcare providers, effective January 1, 2025. The bill, as amended, proposes a loss limit increase from $500,000 to $8,000,000 under the Excess Liability Fund. Furthermore, the bill would increase aggregate limits for professional liability insurance from $1,000,000 to $3,000,000 for physicians and nurse anesthetists. The amount of aggregate liability insurance would remain the same at $3,000,000. Under AM1364, the insured's Medical Malpractice policy would pay the portion per occurrence between $500,000 and $800,000, that is currently being paid by the Excess Liability Fund.

Nebraska Department of Insurance (NDOI)
The NDOI anticipates that the reduced expenditures in the Excess Liability Fund would range from $500,000 to $800,000 per occurrence which is estimated to be $2,810,000 annually beginning in FY 2025. AM1364 would also have an indeterminate effect on the Excess Liability Fund's revenue. NDOI expects that amount of premium paid to increase, which would result in an increase in surcharge revenue to the fund. However, if the revenue collected exceeds the amount necessary to maintain the Fund, the surcharge must be reduced. This results in an indeterminate effect on revenue.

University System (UNMC):
The University of Nebraska Medical Center (UNMC) is currently contributing at the 50% maximum rate as established by the Excess Liability Fund thus the University utilized their current rate to estimate the increased cost. The University notes that UMNC's insurer does not have an increase-limit-factor filed for this unusual amount of limits, so an actuarial team would need to develop the factor and for it to be approved by the Nebraska Department of Insurance prior to being issued. A more complete analysis would need to be conducted but it is anticipated that the University of Nebraska Medical Center's projected market increase, absent any exposure increase, is expected to be 8%. It is anticipated that the general fund impact would be $106,000 annually beginning in FY 2025.

There will be an indeterminable, but likely insignificant, fiscal impact for health insurance plan rates for the State of Nebraska and University System employees.

LB 93 updates requirements regarding security deposits made by insurers for the benefit of policyholders to include creditors in the same manner as policyholders. No fiscal impact.

CONTINUED ON PAGE 3

LB 214 updates state statute to adhere to federal law relating to banking and finance, change provisions relating to the Nebraska Installment Loan Act and loan brokerage agreements, and provides clarification on terms. LB 214 was also amended by AM 81 which removes language stating what loans shall be subject to the Act and who shall be required to be licensed under the Act, based upon a compromise between the Nebraska Bankers Association and the Nebraska Department of Banking and Finance. No fiscal impact.

LB 669 which would allow the Director of Banking and Finance to prescribe conditions on banks, trust companies, credit unions, building and loan associations, savings and loan associations and digital asset depositories as part of any written order, decision, or determination required to be made pursuant to the Nebraska Banking Act, Chapter 8, article 3, the Credit Union Act, and the Nebraska Financial Innovation Act.

LB 674 which would make changes to the Nebraska Banking Act and the Nebraska Financial Innovation Act. LB 674 proposes replacing certain language and redefining terms. The bill also requires that a branch of digital asset depository institutions in another state is subject to the laws of the host state, requires that digital asset depository shall make a public file available to any person on request or mobile application, requires financial literacy programs provided to Nebraska students include knowledge of digital assets, provides the right for digital asset depository to substitute securities upon approval of the director and pay the fees prescribed in statute, and allows a financial institution operating a digital asset depository department surrender its charter under certain provisions.

LB 92 was further amended by AM 1379:

AM1379 makes the following changes to the ImagiNE Credits act:

- 77-6832, Section 78, creates subsection (1)(h) which allows for a taxpayer that qualifies under the CHIPS for America Act to use credits to obtain a payment from the state equal to the amount which was paid towards principal or interest to repay a revenue bond issued by an inland port authority;

Amends the ImagiNE Nebraska Revolving Loan Fund in the following ways:

- Would require the state to match any federal grant, loan, loan guarantee, or other financial incentive for a project for which a Nebraska-based covered entity under the CHIPS for America Act up to 25% of the total cost of the project;
- Requires the Department of Economic Development to approve eligible entities under CHIPS for ImagiNE Credits;
- Sets allowable use of the awards and state funds under ImagiNE Tax Credits and Revolving Loans.

Of the state funds awarded to a qualifying project, five-tenths of one percent of the state award is to be set aside for an educational institution to meet federal obligations as defined in the federal CHIPS Act.

Since the advancement of LB 92, updated fiscal responses were received from the Department of Economic Development (DED) and the Department of Revenue (DOR). As the bill is currently written, all eligible projects must certify to DED that they have received investment made by the US Government under the CHIPs Act.

The incentives for the CHIPs projects are indeterminable as the legislation's intent is to incentivize manufacturers but the number of potential eligible projects is not currently known. It is reasonable to assume that this legislation may increase the use of ImagiNE Nebraska credits by incentivizing ImagiNE qualified manufacturers to the state which will modify the ImagiNE forecast use.

DED anticipates that LB92 as amended, also limits the amount of the award, "when combined with all other eligible state funds and incentives," not to exceed 25% of the total cost of the project. It is unknown at this time how large a federal grant would be under the CHIPS act for a facility located in Nebraska; however, the maximum federal grant is the lesser of $3 billion or 25% of the investment in a manufacturing facility, but a Notice of Funding Opportunity for the CHIPS Incentive Program states that most CHIPS Directing Funding awards will range between 5% to 15% of the project. It can be anticipated there will be additional federal incentives in loans but this amount is interminable.

The Department of Economic Development anticipates a general fund impact of $9,977,290 in FY 2023-24-25 and $23,751,410 in FY 2024-25, including staffing and operations costs for these incentives. DED will require the services of an Economic Development Manager to manage the program and make the awards. DED estimates that total administration costs, including PSL, would be $126,360 and $140,410 in FY2023-24 and FY2024-25, respectively.

CONTINUED ON PAGE 4

The Nebraska Department of Revenue estimates that the General Fund impact of LB92AM1379 is as follows:

- FY23-24 $ (9,851,000)
- FY24-25 $ (23,611,000)
- FY25-26 $ (33,806,000)
- FY26-27 $ (39,482,000)
- FY27-28 $ (35,298,000)
- FY28-29 $ (28,011,000)
- FY29-30 $ (21,623,000)
- FY30-31 $ (16,392,000)
- FY31-32 $ (12,115,000)

There is no basis to disagree with these estimates relative to the credits of incentive payments but these will be general fund expenditures.

LB 92 was further amended by AM 1383:

The amendment included the provisions of LB 278. LB278 amends Sec. 58-201 directing NIFA and DED to obtain state and federal grants for the purpose of obtaining Olmstead Plan grants and directing collaboration with DHHS in obtaining the grants.

The Department of Economic Development, who would be tasked with researching and writing the additional grant applications, would be $26,930 of general funds in FY 2023-24 and $27,950 in FY 2024-25 for personnel costs for a .25 Economic Development Business Consultant I.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 92 AM: 1364	AGENCY/POLT. SUB: Department of Banking & Finance	
REVIEWED BY: Ryan Walton	DATE: 4/24/2023	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with the Department of Banking & Finance assessment of fiscal impact from LB 92, as amended by AM1364.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 92 AM: 1364	AGENCY/POLT. SUB: Department of Administrative Services (DAS)	
REVIEWED BY: Ryan Walton	DATE: 4/24/2023	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with the Department of Administrative Services assessment of fiscal impact from LB 92, as amended by AM1364.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 92 AM: 1364	AGENCY/POLT. SUB: University of Nebraska Systems	
REVIEWED BY: Ryan Walton	DATE: 4/24/2023	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with the University of Nebraska Systems estimate provided from LB 92, as amended by AM1364. Estimated General Fund costs is to be about 50% or $53,000.		

CONTINUED ON PAGE 5

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 92 AM: 1379	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Walton	DATE: 4/24/2023	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with the Department of Revenue's assessment of fiscal impact from LB 92, as amended by AM1379.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 92 AM: 1379	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Ryan Walton	DATE: 4/24/2023	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with the Department of Economic Development's assessment provided from LB 92, as amended by AM1379. Technical Note: There is some uncertainty about the mechanism for resolving matching fund variances.		

Please complete ALL (5) blanks in the first three lines. **2023**

LB(1) 92, AM1364 **FISCAL NOTE**

State Agency OR Political Subdivision Name: (2) Department of Banking and Finance

Prepared by: (3) Margo Sawyer **Date Prepared: (4)** 4/18/2023 **Phone: (5)** 402-471-4954

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Minimal fiscal impact as staff time will be re-allocated, and the cost of paper and files is estimated to be $150/year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS 23-24	24-25	2023-24 EXPENDITURES	2024-25 EXPENDITURES
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

Please complete **ALL** (5) blanks in the first three lines. **2023**

LB(1) 92 AM 1364 **FISCAL NOTE**

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

Prepared by: (3) Jennifer Norris **Date Prepared:** (4) 3/8/2023 **Phone:** (5) 402-480-9728

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2023-24		FY 2024-25	
	EXPENDITURES	**REVENUE**	**EXPENDITURES**	**REVENUE**
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
REVOLVING FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB 92 AM 1364, Section 54 provides for additional insurance coverage for screening mammography and breast examinations for women at certain ages and meeting certain criteria as detailed in the legislation. Section 55 provides coverage for screenings for colorectal cancer. The State of Nebraska health plans currently provide these types of coverage, and therefore, those sections have no fiscal impact to the State's health plans.

Sections 57 through 62 relates to the Nebraska Hospital-Medical Liability Act. An exact fiscal impact to providers is indeterminable; however, it is anticipated that the cost of insurance to such medical providers will increase, and such increase would be passed along in an ultimate increase in the cost of services. Any increases in service costs impacts the cost of claims paid by the State's Health Plans, requiring increases in premiums.

The medical plans for the State of Nebraska are self-insured. The medical plan premiums are paid by the State of Nebraska (79%) and employees (21%).

The table below summarizes the estimated impact by fund type of any premium increase. The allocation by fund type is based on a four (4) year [2019 - 2022] average of health insurance premium expenditures.

Fund Type	Percentage by Fund Type
General Fund	50%
Cash Fund	25%
Federal Fund	20%
Revolving Fund	5%
Total	**100%**

Any impact to a covered provider in a Dental or Vision Plan could result in increased costs and increased premiums. The Vision and Dental plan premiums are wholly paid by State of Nebraska employees.

The State of Nebraska – Employee Wellness & Benefits does not purchase malpractice liability insurance.

Section 79 proposes to limit the out-of-pocket cost of prescription insulin drugs to a covered individual to $35 for a 30-day supply, beginning January 1, 2024. Most insulin drugs are on a preventive drug list or a lower Prescription Drug List (PDL) tier copay. Utilizing the previous benefit plan year of 7/1/2021 to 6/30/2022, the State's Third-Party Administrator (TPA) estimates there would be an increase of approximately $3,300 to the State total medical plan costs to cover the difference between the cost of the prescription and the out-of-pocket limit. The total net pharmacy paid during this time was $54.3 million.

The State of Nebraska medical plans are self-insured. Any increases in costs could need to be covered by an increase in premiums. The State of Nebraska pays 79% of the premiums for State of Nebraska teammates and the teammate pays 21%.

The estimated increase in FY23-24 is $1,304 ($3,300 estimated increase / 2 [1/2 fiscal year] = $1,650 x 79% [State's share] = $1,304) and for FY24-25 $2,607 ($3,300 X 79% [State's share] = $2,607)

The State's health plans use trust funds; thus, no additional appropriation is being requested. If there is an increase in premiums, an A bill would be necessary to provide the additional appropriation to state agencies.

Section 79 has an estimated fiscal impact of $3,300 on the State of Nebraska medical plans.

Section 80 allows electronic delivery of certain health benefit plan documents. This section has no fiscal impact to the State's health plans.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS 23-24	24-25	2023-24 EXPENDITURES	2024-25 EXPENDITURES
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

Please complete **ALL** (5) blanks in the first three lines. **2023**

LB(1) 92 AM1364 **FISCAL NOTE**

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

Prepared by: (3) Jordan Blades Date Prepared: (4) 4/18/2023 Phone: (5) 402-471-1432

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	47,433		49,235	(514,250)
FEDERAL FUNDS				
OTHER FUNDS			(2,810,000)	See Below
TOTAL FUNDS	See Below		See Below	(514,250)

Explanation of Estimate:

The Department does not anticipate any fiscal impact from Sections 1-53, 55, 56, 63, and Sections 65-80 at this time.

Section 54 of LB 92 as amended by AM1364 would create a new health insurance mandate requiring insurers cover mammograms for certain women under 40 at least once per year. This section would also require insurers cover one digital breast tomosynthesis, one bilateral whole breast ultrasound, and one diagnostic magnetic resonance imaging for certain women, who meet the requirements in AM1364 for the specified service, per year. The insurer may not apply cost-sharing requirements for any of these services except for diagnostic magnetic resonance imaging for a woman based on heterogeneous or dense breast tissue.

The Affordable Care Act (ACA) requires the defrayal of all costs of newly created health insurance mandates by a state. This is done either through reimbursement by the state to the issuer of a Qualified Health Plan (QHP) (hereinafter “insurer”) or enrollee. Pursuant to the ACA, the insurer quantifies the cost attributable to the new mandated benefit and that cost is submitted to the state for reimbursement.

The Department contacted several insurers and asked for an initial estimate of the costs associated with coverage of the new mandated benefits as proposed in AM1364. The estimates from insurers for increased premium costs for their plans varied from $0 per member per month to $0.83 per member per month, with approximately 100,000 enrollees in the ACA marketplace. These estimates are based upon projected utilization and relevant enrollee population. Please note that the defrayal costs are charged by each individual QHP insurer, depending upon the relevant population of insureds that have coverage under that insurer. In any instance, the amount spent, pursuant to the ACA, must be reimbursed by the state. Based on the wide range of estimates from insurers the Department concluded that the fiscal impact of the defrayal costs is indeterminate.

Sections 57 through 62 of LB 92 as amended by AM1364 would increase the minimum amount of proof of financial responsibility that health care providers are required to obtain in order to qualify for coverage under the Excess Liability Fund from $500,000 to $800,000 per occurrence. AM1364 would increase aggregate limits for professional liability insurance from $1,000,000 to $3,000,000 for physicians and nurse anesthetists. Hospitals currently have an aggregate liability amount of $3,000,000 which would remain the same under the bill. As amended, these changes would be effective January 1, 2025.

Currently the insured’s policy pays up to $500,000 per occurrence and the Excess Liability Fund pays the

amount remaining up to the Fund limit of $2,250,000 per occurrence.
Under AM1364, the insured's Medical Malpractice policy would pay the portion per occurrence between $500,000 and $800,000, that is currently being paid by the Excess Liability Fund. The reduced expenditures above show the average amount paid by the Excess Liability Fund in that range from $500,000 to $800,000 per occurrence over the last 3 years.

AM1364 Would have an indeterminate effect on the Excess Liability Fund's revenue. The surcharge levied on health care providers is currently set at the statutory maximum of 50% of the premium paid by the health care provider for maintenance of financial responsibility. We expect that amount of premium paid to increase, which would result in an increase in surcharge revenue to the fund. However, if the revenue collected exceeds the amount necessary to maintain the Fund, the surcharge must be reduced. This results in an indeterminate effect on revenue.

Section 64 of LB 92 as amended by AM1364 would change the renewal period for insurance producer agencies from annual to biennial, with the licenses renewing in April of each even numbered year.

The Department currently has 10,285 agencies licensed with an annual fee of $50 per agency. During odd numbered years we would no longer be processing any of these agency renewals, which would result in a revenue loss of $514,250 to the Department during each odd numbered year.

Sections 81 through 90 of LB 92 as amended by AM1364 would create a "sandbox program" within the Department of Insurance, which would allow a participant to temporarily test an innovative insurance product or service without obtaining a license or other authorization that otherwise might be required.

NDOI is primarily a solvency regulator which applies specific regulatory standards adopted to avoid financial insolvency. NDOI has a dedicated financial examination team which reviews applications, those same individuals also monitor the continued financial solvency of the company.

In order to review the applicants for the sandbox program and monitor the solvency of participants, NDOI would need a 0.5 FTE financial examiner that would be dedicated to monitoring sandbox applicants and participants.

The department would also anticipate a small amount of revenue collected based on the $50 application filing fee and participation fee established in AM1364.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS 23-24	24-25	2023-24 EXPENDITURES	2024-25 EXPENDITURES
Financial Examiner II	0.5	0.5	29,643	31,125
Benefits			15,666	15,890
Operating			2,124	2,220
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			47,433	49,235

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

2023

FISCAL NOTE

LB [1] 0092 AM1364 **Eliminate the requirement that an annual review of a title insurance agent's practices be onsite**

State Agency OR Political Subdivision Name:[2] **University of Nebraska System**

Prepared by:[3] **Chris Kabourek** Date Prepared:[4] **04/21/2023** Phone:[5] **(402) 472-7102**

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2023 - 24		FY 2024 - 25	
	EXPENDITURES	**REVENUE**	**EXPENDITURES**	**REVENUE**
GENERAL FUNDS	0.00	0.00	106,000.00	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	106,000.00	0.00

Explanation of Estimate:

Similar to LB 68 AM 371, it does not appear to amend the contribution rate outlined in section 44-2829. Since UNMC is already contributing at the 50% maximum rate specified in section 44-2829, we used the same rate to develop the estimated payment to the NEFL It also does not appear to amend the total amount recoverable under the Nebraska Hospital-Medical Liability Act from any and all health care providers and the Excess Liability Fund for any occurrence resulting in any injury or death of a patient outlined in section limit 44-2825, therefore, we used the same rate to develop the estimated payment to the NEFL.

Since the proposed limit is rather unusual, UNMC's insurer (MMIC) does not have an increase-limit-factor (ILF) filed for this limit, therefore, it would all need to be completely developed by the actuarial team and submitted to the regulators (i.e. go through regulatory environments) and be approved by the Nebraska Department of Insurance prior to MMIC being able to use the ILF (reflected in the above premium estimates) or before being able to issue a policy with the proposed limit. MMIC would need the final approved legislation to ensure the increase is being accounted for correctly.

If the proposed legislation is passed, MMIC#s actuarial team would need to complete a more thorough analysis, which may cause the premium estimate to change.

The above premium estimate reflects only the changes associated with medical malpractice liability and the Nebraska Hospital-Medical Liability Act changes in limit proposed by LB92 AM1364. The projected market increase, absent any exposure increase, is expected to be approximately 7.5-10% per year for upcoming renewals, which is deemed reasonable given the adverse medical loss experience in the State over the past several years. The estimate noted is for the six month period of January through June 2025.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	**NUMBER OF POSITIONS 23 - 24**	**24 - 25**	**2023 - 24 EXPENDITURES**	**2024 - 25 EXPENDITURES**
	0	0		
	0	0		
Benefits				
Operating				106,000.00
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				106,000.00

Please complete ALL (5) blanks in the first three lines. **2023**

LB(1) 92—AM1379 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Department of Economic Development

Prepared by: (3) Dave Dearmont Date Prepared: (4) 4/18/2023 Phone: (5) 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	$9,977,290	(9,851,000)	$23,751,410	$23,611,000
CASH FUNDS		9,851,000		(23,611,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	$9,977,290	$0	$23,751,410	$0

Explanation of Estimate:

AM1379 would add a new section to LB92. LB92 as amended by AM1379 would amend Sections 77-6832(1) and 77-6841 of the ImagiNE Nebraska Act to include incentives to taxpayers who are qualified for federal assistance under the CHIPs Act (Public Law 116-283). Section 77-6832(1) is amended to allow a qualified taxpayer to use credits to obtain a payment from the state equal to the amount used to repay the principal or interest on revenue bonds issued by an inland port authority. Section 77-6841 as amended, would allow the ImagiNE Nebraska Revolving Loan Fund to receive money from legislative transfers. In addition, DED would be required to match “any federal grant, loan, loan guarantee, or other financial incentive” for a project qualifying for the federal CHIPs Act.

Eligible projects include those that are greater than $50 million, and eligible projects must certify to DED that they have received investment made by the US Government. LB92 as amended, also limits the amount of the award, “when combined with all other eligible state funds and incentives,” not to exceed 25% of the total cost of the project. It is unknown at this time how large a federal grant would be under the CHIPS act for a facility located in Nebraska; however, the maximum federal grant is the lesser of $3 billion or 25% of the investment in a manufacturing facility, but a Notice of Funding Opportunity for the CHIPS Incentive Program states that most CHIPS Directing Funding awards will range between 5% to 15% of project capital expenditures. Of the state funds awarded to a qualifying project, five-tenths of one percent of the state award is to be set aside for an educational institution to meet federal obligations as stated in the federal CHIPS Act.

Based on discussions with the Nebraska Department of Revenue, DOR estimates that the General Fund impact of LB92AM1379 is estimated to be:

FY23-24	$	(9,851,000)
FY24-25	$	(23,611,000)
FY25-26	$	(33,806,000)
FY26-27	$	(39,482,000)
FY27-28	$	(35,298,000)
FY28-29	$	(28,011,000)
FY29-30	$	(21,623,000)
FY30-31	$	(16,392,000)
FY31-32	$	(12,115,000)

Assuming one project qualifies for benefits under the provisions of LB92, as amended, DED will require the services of an ED Manager to manage the program and make the awards. DED estimates that total administration costs, including PSL, would be $126,360 and $140,410 in FY2023-24 and FY2024-25, respectively

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS 23-24	24-25	2023-24 EXPENDITURES	2024-25 EXPENDITURES
G49550 Econ Dev Manager	0.75	1.00	$53,930	$74,790
Benefits……………………………			28,760	29,070
Operating……………………………			27,810	29,070
Travel……………………………			7,190	7,480
Capital outlay……………………………			8,600	
Aid……………………………			9,851,000	23,611,000
Capital improvements……………………………				
TOTAL……………………………			$9,977,290	$23,751,410

LB 0092 AM 1379 Fiscal Note 2023

State Agency Estimate

State Agency Name: Department of Revenue			Date Due LFO:
Approved by: Glen White	Date Prepared:	04/24/2023	Phone: 471-5896

	FY 2023-2024		FY 2024-2025		FY 2025-2026	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		Indeterminable		Indeterminable		Indeterminable
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		Indeterminable		Indeterminable		Indeterminable

LB 0092 amended by AM 1279 amends Neb. Rev. Stat. §77-6832 to include the federal CHIPS Act as follows:

- Subsection (1)(h) provides an additional use of credits earned from the Imagine Act project that may be used by the taxpayer to receive state funds for payments of interest and principal on revenue bond payments for bonds issued by the inland port authority, if the taxpayer is a Nebraska-covered entity under the CHIPS Act.

With the additional use of credits under the Imagine Act, there will be a negative impact to the General Fund revenues, however, it is indeterminable.

It is estimated that there will be minimal cost for DOR to implement AM1379.

Major Objects of Expenditure

Class Code	Classification Title	23-24 FTE	24-25 FTE	25-26 FTE	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
Benefits…							
Operating Costs…							
Travel…							
Capital Outlay…							
Capital Improvements…							
Total…							