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 DATE PREPARED: March 31, 2009  
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**LB 403**

Revision: 02

Revised due to amendments adopted through 3-26-09

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

**ESTIMATE OF FISCAL IMPACT – STATE AGENCIES \***

	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB403 as amended provides that with certain exemptions, every state agency or political subdivision shall verify the lawful presence in the United States (U.S.) of any person who has applied for public benefits administered by an agency or a political subdivision. Verification of lawful presence requires that the applicant attest in a format prescribed by the Department of Administrative Services that 1.) he or she is a United States citizen or 2.) he or she is a qualified alien under the federal Immigration and Nationality Act. For any applicant who is a qualified alien, eligibility for benefits shall be verified through the federal Systemic Alien Verification for Entitlements Program (SAVE).

For purposes of the act, public benefit means any grant, contract, loan, professional license, commercial license, welfare benefit, health payment or financial assistance benefit, disability benefit, public or assisted housing benefit, postsecondary education benefit involving direct payment of financial assistance, food assistance benefit, or unemployment benefit or any similar benefit provided by or for which payments or assistance are provided to an individual, a household, or a family.

LB403 also provides that every public employer and public contractor shall register with and use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State. Every contract between a public employer and public contractor shall contain a provision requiring the public contractor to determine the work eligibility status of new employees physically performing services within the State.

LB403 provides that the Tax Commissioner shall not approve or grant to any person any tax incentive under the Nebraska Advantage Rural Development Act, the Nebraska Advantage Act, the Nebraska Advantage Research and Development Act, and the Nebraska Advantage Microenterprise Tax Credit Act unless the taxpayer provides evidence satisfactory to the Tax Commissioner that the taxpayer has electronically verified the work eligibility status of all newly hired employees employed in Nebraska.

The Department of Revenue indicates minimal fiscal impact.

The University of Nebraska indicates increased costs associated with the verification of lawful presence of students applying for financial aid. The University estimates the annual cost to be \$67,836 General Funds. It would appear that most of the cost associated with verification of students applying for financial aid could be dealt with in the development and implementation of the new University-wide Student Information System.

The City of Lincoln and the City of Omaha indicate increased costs associated with LB403.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	DATE	3/3/09	PHONE	471-2526
COMMENTS					
CITY OF LINCOLN/FINANCE DEPARTMENT: No basis to dispute agency analysis from City of Lincoln. CITY OF OMAHA: No basis to dispute City of Omaha analysis.					