

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$10,000		\$10,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$10,000		\$10,000	

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

LB 1075 would adopt the Alcoholic Liquor Liability Act with an operative date of January 1, 2011.

The bill provides a cause of action for any person who has sustained injury or property damage, or the estate of any person killed, as a result of the negligence of an intoxicated person against a licensee who served alcoholic liquor to the intoxicated person when the licensee knew or should have known the person was intoxicated or would become intoxicated. Any action under the act must be brought within four years after the occurrence.

Licensee is defined as a person holding a license issued under the Nebraska Liquor Control Act to sell at retail.

The bill requires every retailer to furnish proof of financial responsibility to the Nebraska Liquor Control Commission in an amount to be determined by the Commission.

Retailer is defined as a licensee, any agent or employee of the licensee, or any person who at the time of the events leading to an action under the Act was required to have a license under the Nebraska Liquor Control Act in order to sell alcoholic liquor at retail.

The Liquor Control Commission has indicated an expenditure of approximately \$10,000 per fiscal year to accomplish the purposes set forth in Section 9 of the bill regarding financial responsibility. The Commission regulates approximately 4,000 plus retailers who would need to provide proof of financial responsibility. The Commission indicates they would need to contract with an insurance underwriting company to evaluate and set rates and review risks per class of retail license and also conduct public hearings. The cost projected by the Commission is based on the Commission's interpretation that the definition of "retailer" applies only to the licensed retailer and not every employee or agent of the retail license and, therefore, only the license holder needs to have proof of financial responsibility not all the employees.

There is no basis to disagree with the Commission's estimate of expenditure.