

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2025-26</b>		<b>FY 2026-27</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$314,000		\$255,700	\$2,345,000
CASH FUNDS		\$10,000		\$680,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$314,000</b>	<b>\$10,000</b>	<b>\$255,700</b>	<b>\$3,025,000</b>

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

LB 342 establishes the Fantasy Sports Consumer Protection Act.

The Department of Revenue (DOR) shall regulate the conduct of fantasy contest operators pursuant to the Act. The DOR shall adopt and promulgate rules and regulations to carry out the Act. Such initial rules and regulations shall be adopted and promulgated no later than January 1, 2026. Any rules and regulations proposed by the DOR may be adopted as emergency rules if necessary pursuant to section 84-901.04.

The bill provides powers and duties for the DOR pursuant to the Act.

Except as otherwise provided under the bill, a person shall not offer fantasy contests in this state unless the person is licensed by the DOR as a fantasy contest operator. An applicant for a license shall submit an application to the DOR. As a part of such application, an applicant shall submit fingerprints for a check of such applicant’s national criminal history record information maintained by the Identification Division of the Federal Bureau of Investigation through the Nebraska State Patrol to determine if the DOR has reason to deny the license application by a law enforcement agency. The fingerprints shall be furnished by the applicant’s officers, directors, and each individual that holds a 10% or more ownership interest in the applicant or in shares of the applicant if a corporation, the managers and members if a limited liability company, and the partners if a partnership. The fingerprints shall be accompanied by a signed authorization for the release of information by the law enforcement agency. The DOR may require additional background checks on licensees when they apply for license renewal, and an applicant convicted of a disqualifying offense shall not be licensed. An applicant or individual who has submitted to a national criminal history record information check in this state or any other state within the 12 months before submitting the application is not required to resubmit to another criminal history record information check if the applicant or individual submits the results of the previous criminal history record information check and affirms that there has been no material change in the criminal history since the time of the criminal history record check. The bill provides a nonrefundable fee of \$5,000 as part of the application.

The initial license fee for a fantasy contest operator that operated in the state prior to the effective date of the bill shall be 10% of its adjusted gross fantasy contest receipts from the preceding calendar year or \$5,000, whichever is less. The initial license fee for a fantasy contest operator that did not operate in the state for at least the 12 months prior to the effective date of the bill shall be \$5,000, so long as such a fantasy sports contest operator agrees to and does remit a supplemental license fee of 10% of its adjusted gross fantasy sports contest receipts for the 12-month period beginning on the date of licensure less the initial license fee. In the event that the supplemental license fee would result in a negative number, no refund shall be issued, and the supplemental license fee shall be deemed to be \$0.

A license as a fantasy contest operator shall remain in effect for 4 years. The DOR shall establish a process for renewal with a renewal fee equal to 1% of the adjusted gross fantasy contest receipts of such operator for the preceding four years.

Beginning on July 1, 2026, the DOR shall impose and collect a tax at a rate of 10% of the fantasy contest operator’s adjusted gross fantasy contest receipts. The fantasy contest operator shall submit to the DOR, on or before the last day of each calendar month, a return indicating the amount of tax for the previous calendar month as well as any other information the DOR shall require and shall remit to the DOR payment of the tax due with such return. The tax shall be credited as follows:

- General Fund-85%
- Compulsive Gamblers Assistance Fund-15%

The bill creates the Fantasy Sports Consumer Protection Fund. The Fund shall be administered by the DOR and used for administration of the Act. Any license and application fees collected by the DOR pursuant to the Act shall be credited to the Fund. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

The DOR estimates the following revenue increases as a result of the bill:

	General Fund	Compulsive Gamblers Assistance Fund	Fantasy Sports Consumer Protection Fund
FY 25-26	\$ -	\$ -	\$ 10,000
FY 26-27	\$ 2,345,000	\$ 414,000	\$ 266,000
FY 27-28	\$ 2,463,000	\$ 435,000	\$ -
FY 28-29	\$ 2,586,000	\$ 456,000	\$ -

The DOR also estimates \$95,000 for IT costs and the need for a Revenue Investigator, Revenue Agent, and Fiscal Compliance Analyst as a result of this bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 342	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY:	Jacob Leaver	DATE: 3/3/2025	PHONE: (402) 471-4173
COMMENTS: Concur with the Supreme Court's estimate of minimal fiscal impact as a result of LB 342.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 342	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY:	Jacob Leaver	DATE: 3/6/2025	PHONE: (402) 471-4173
COMMENTS: Concur with the Department of Revenue's estimated fiscal impact as a result of LB 342.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 342	AM:	AGENCY/POLT. SUB: State Patrol	
REVIEWED BY:	Jacob Leaver	DATE: 2/12/2025	PHONE: (402) 471-4173
COMMENTS: Concur with the State Patrol's estimate of no fiscal impact as a result of LB 342.			

**State Agency Estimate**

State Agency Name: Department of Revenue		Date Due LFO:				
Approved by: James R. Kamm		Date Prepared: 03/05/2025				
		Phone: 471-5896				
	<b>FY 2025-2026</b>		<b>FY 2026-2027</b>		<b>FY 2027-2028</b>	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$314,000	\$0	\$ 255,700	\$ 2,345,000	\$ 255,700	\$ 2,463,000
Cash Funds		\$ 10,000		\$ 680,000		\$ 435,000
Federal Funds						
Other Funds						
<b>Total Funds</b>	<b>\$314,000</b>	<b>\$ 10,000</b>	<b>\$ 255,700</b>	<b>\$ 3,025,000</b>	<b>\$ 255,700</b>	<b>\$ 2,897,000</b>

LB 342 creates the Fantasy Sports Consumer Protection Act (Act). The Department of Revenue (DOR) will regulate the Act. The DOR must adopt regulations no later than January 1, 2026. Any rules and regulations proposed by the DOR may be adopted as emergency rules, if necessary.

Only licensed fantasy contest operators may offer fantasy contests. The application fee is \$5,000. The initial license fee for a fantasy contest operator that operated in the State prior to the effective date of the bill is ten percent of its adjusted gross fantasy contest receipts from the preceding calendar year or \$5,000, whichever is less. The initial license fee for a fantasy contest operator that did not operate in the State for at least twelve months prior to the effective date is \$5,000, if they agree to and remit a supplemental license fee of 10% of its adjusted gross fantasy sports contest receipts for the twelve-month period beginning on the date of licensure less the initial license fee.

Licenses will be in effect for four years. The DOR will establish a renewal process with a fee equal to one percent of adjusted gross fantasy contest receipts for the preceding four years.

Beginning July 1, 2026, the DOR will collect 10% tax on the adjusted gross fantasy contest receipts. The fantasy contest operator shall submit to the DOR, on or before the last day of each calendar month, a return indicating the amount of tax due for the previous month. Tax will be remitted to the State Treasurer for credit as follows: 85% to the General Fund and 15% to the Compulsive Gamblers Assistance Fund.

Assuming that two fantasy contest operators will register with the DOR throughout the first year, the estimated fiscal impact is as follows:

	General Fund	Compulsive Gamblers Assistance Fund	Fantasy Sports Consumer Protection Fund
FY 25-26	\$ -	\$ -	\$ 10,000
FY 26-27	\$ 2,345,000	\$ 414,000	\$ 266,000
FY 27-28	\$ 2,463,000	\$ 435,000	\$ -
FY 28-29	\$ 2,586,000	\$ 456,000	\$ -

**Major Objects of Expenditure**

Class Code	Classification Title	25-26	26-27	27-28	25-26	26-27	27-28
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
X62730	Revenue Investigator	1.0	1.0	1.0	\$60,000	\$61,900	\$61,900
X29222	Revenue Agent	1.0	1.0	1.0	\$44,600	\$46,100	\$46,100
A21211	Fiscal Compliance Analyst	1.0	1.0	1.0	\$48,800	\$50,400	\$50,400
	Benefits.....				\$50,600	\$52,300	\$52,300
	Operating Costs.....				\$95,000	\$45,000	\$45,000
	Travel.....						
	Capital Outlay.....				\$15,000	\$0	\$0
	Capital Improvements.....						
	<b>Total.....</b>				<b>\$314,000</b>	<b>\$255,700</b>	<b>\$255,700</b>

LB 342 will require a one-time programming charge of \$50,000 for development costs to modify the existing Gaming licensing system to include new licensees. There will also be increased annual licensing costs of \$45,000 for the system.

The DOR will also need a Revenue Agent, Revenue Investigator, and a Fiscal Compliance Analyst to implement the bill.

The operative date for this bill is three months after adjournment of the Legislature.

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**2025**

**LB<sup>(1)</sup> 342**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Carol Aversman Date Prepared: <sup>(4)</sup> 01/27/2025 Phone: <sup>(5)</sup> 402-471-4545

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

**NO FISCAL IMPACT**

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2025

LB<sup>(1)</sup> 342

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 3/1/2025 Phone: <sup>(5)</sup> 402-326-9215

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

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

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____