

Update with AM 731

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 559 criminalizes the unauthorized installation and use of skimmer devices, which are used to steal financial data from ATMs, point-of-sale systems, and fuel pumps.

The bill establishes penalties based on the financial impact, with offenses ranging from misdemeanors to felonies depending on the amount stolen. It also targets large-scale financial crime operations by introducing enhanced penalties for individuals involved in a "continuing criminal enterprise." Additionally, the bill includes provisions for asset forfeiture, allowing for the seizure of money and property obtained through financial transaction crimes.

AM731 incorporates provisions from LB464, primarily addressing organized retail crime and establishing a Financial Fraud Victims' Reimbursement Fund. The amendment clearly defines essential terms such as "organized retail crime," "aggregated retail market value," and "retail merchandise," and establishes penalties based on the aggregated value of merchandise involved, including enhanced penalties for repeat offenses.

Additionally, AM731 creates a dedicated fund to reimburse victims of financial fraud offenses, financed through proceeds from asset forfeitures linked to financial transaction offenses. The Attorney General is assigned responsibility for managing this fund, including determining victim eligibility and reimbursement amounts.

The Supreme Court has stated that LB 559 will have minimal fiscal impact and will not require any additional resources.

The Nebraska Department of Correctional Services (NDCS) could see an increase in the number of individuals incarcerated as a result of the bill; however, the specific fiscal impact is indeterminable at this time.

It is important to note that determining the exact fiscal impact of AM731 on the state of Nebraska is difficult due to several variables that cannot be accurately projected at this time. The amendment creates new offenses and penalty structures related to organized retail crime and financial transaction fraud, but the number of individuals who may be charged, convicted, and sentenced under these provisions remains uncertain.

For the state to see a substantial increase in expenditures, particularly in the NDCS budget, a notable uptick in incarceration rates tied specifically to the new felony offenses outlined in AM731 would need to occur. This would likely require:

- A significant increase in enforcement and prosecution efforts for organized retail crime and financial fraud,
- A consistent pattern of high-dollar offenses resulting in Class IIA, ID, or IC felony convictions,

Because AM731 includes penalties for conduct that could range from misdemeanor to serious felonies depending on the dollar value and prior offenses, the fiscal impact will depend on how often higher-level felony thresholds are met.

LB<sup>(1)</sup> 559 AM731

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Correctional Services

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB559 AM731 provides for offenses relating to skimmer devices and criminal enterprises involving financial offenses and creates the Financial Fraud Victims’ Reimbursement Fund. The bill could increase the number of persons in prison. The specific amount of impact is indeterminable.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				