

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	\$259,284		\$187,148	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$259,284		\$187,148	

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

LB 532 requires employers to utilize E-Verify, after making an employment offer that has been accepted, to verify the employment authorization of each such employee.

Section 1 provides definitions. Section 1 (6)(b)(i) specifies that “Employer” does not include:

- (i) Local, state, or federal governmental agencies or political subdivisions or any corporation wholly owned by such an agency or subdivision

Section 3 prohibits an employer from knowingly employing an unauthorized alien. Consequences of violations include measures such as suspension of an employer’s license and reinstatement fees.

Sections 4 through 6 require and allow the Department of Labor (DOL) to develop and administer a statewide random auditing program to inspect for compliance, investigate and inspect records for potential violations, and establish a dedicated public website to assist employers with compliance.

Section 9 allows DOL to adopt and promulgate rules and regulations to carry out the provisions of LB 532.

Section 11 provides an operative date of January 1, 2026.

DOL estimates the need for 1.5 FTE to administer the provisions of LB 532. In FY26, an additional FTE is needed to address the required dedicated public website. DOL estimates are based on ten percent (10%) of employers being audited each year with onsite visits for 634 employers. There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 532	AM:	AGENCY/POLT. SUB: Department of Labor	
REVIEWED BY: Ryan Yang		DATE: 2/27/2025	PHONE: (402) 471-4178
COMMENTS: The Department of Labor assessment of impact from LB 532 appears reasonable.			

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

2025

LB⁽¹⁾ 532

FISCAL NOTE

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

Prepared by: ⁽³⁾ Rea Easton Date Prepared: ⁽⁴⁾ 2/19/2025 Phone: ⁽⁵⁾ 402-416-6809

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	<u>259,284</u>	<u></u>	<u>187,148</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>259,284</u>	<u></u>	<u>187,148</u>	<u></u>

Explanation of Estimate: LB532 mandates that employers use the E-Verify system when hiring new employees. The bill also requires the Department of Labor to develop and administer a statewide random auditing program to inspect employers for their compliance with E-Verify. Based on available data for 2024, the number of Nebraska employers with 25 or more employees is 6,341. If ten percent of these employers are audited in any given year, NDOL would conduct onsite visits for 634 employers and these employers would have their records inspected by NDOL. NDOL estimates it will need one bi-lingual Labor Law Specialist. NDOL is also required to establish a dedicated public website as well as maintain a public database to record and track employer violations, which would require an IT Applications Developer/Sr six months to develop.

Employers are entitled to contest any determination by NDOL that they have violated the provisions of LB532 and request a hearing under the Administrative Procedures Act (APA). NDOL will need additional legal staff for representation at and preparation for these hearings. This would require a .5 Attorney III position. Additionally, the agency contracts with independent attorneys to act as hearing officers for APA hearings and these costs will increase under this bill. It is estimated that eight hearings will be required for a total of \$11,200 per year. An Interpreter will be required for 25% or 2 of the hearings at a total cost of \$800 per year. Travel associated with the on-site visits are estimated at 150 miles each at \$.70 per mile for \$10,500 for a total of 100 visits.

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>
Labor Law Specialist	1.0	1.0	60,055	61,857
Attorney III	.5	.5	48,289	49,738
IT Applications Developer/Sr	.5		49,296	
Total Salaries	2.0	1.5	157,640	111,595
Benefits.....			56,854	40,247
Operating.....			34,290	24,806
Travel.....			10,500	10,500
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			259,284	187,148