

PREPARED BY: Scott Danigole  
DATE PREPARED: February 06, 2025  
PHONE: 402-471-0055

**LB 402**

Revision: 00

# 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 402 changes provisions of the Gambling Winnings Setoff for Outstanding Debt Act to include collections related to overpayment of unemployment benefits under the Employment Security Law.

Section 3 allows the Department of Labor (DOL) to submit any certified debt of twenty-five dollars or more to the collection system established under the Gambling Winnings Setoff for Outstanding Debt Act.

No fiscal impact.

### ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 402	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang		DATE: 2/6/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Revenue assessment of no fiscal impact from LB 402.			

### ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 402	AM:	AGENCY/POLT. SUB: Department of Labor	
REVIEWED BY: Ryan Yang		DATE: 2/5/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Labor assessment of no fiscal impact to the agency from LB 402.			

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

Prepared by: <sup>(3)</sup> Rea Easton

Date Prepared: <sup>(4)</sup> 1/23/2025

Phone: <sup>(5)</sup> 402-416-6809

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: There is no fiscal impact to the Nebraska Department of Labor for LB 402.

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.....				

## State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:				
Approved by: James R. Kamm		Date Prepared: 02/05/2025		Phone: 471-5896				
	<b><u>FY 2025-2026</u></b>			<b><u>FY 2026-2027</u></b>			<b><u>FY 2027-2028</u></b>	
	<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$ 0			\$ 0			\$ 0
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ 0			\$ 0			\$ 0

LB 402 amends the following sections:

- Section 1 – Adds set off against debt owed to the Nebraska Department of Labor (DOL) for benefits that an obligor received but was not entitled to under section 48-663.01 under the Employment Security Law.
- Section 2 – Adds DOL to definition of claimant for collection of debt under section 48-663.01. Adds debts owed under section 48-663.01 to definition of debt.
- Section 3 – Adds DOL to the agencies designated to develop and implement the debt collection system for the Act. Adds DOL submission of debts owed based on section 48-663.01 to the set off database. Adds DOL to the Act’s department confidentiality requirements.
- Section 4 – Changes set off allocation first to DHHS debt until satisfied (same as current allocation), second to DOL debt until satisfied (move DOL up in set off allocation priority), and lastly, pro rata, to any outstanding tax liability for funds that remains from the set off collection.
- Section 5 – Adds language for DOL to provide notification to obligors when remittance is received by DOR for DOL debt.
- Section 6 – Adds language for DOL procedures for contested set off claims.
- Section 7 – Adds DOL language to adopt and promulgate rules to carry out the Act.

It is estimated that LB 402 will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Department to implement this bill.

LB 402 operative date is three months after adjournment of the Legislature.

Major Objects of Expenditure							
<u>Class Code</u>	<u>Classification Title</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
<b>Total.....</b>							