

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		See below		
CASH FUNDS	See below	(See below)	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB 348 would terminate the Nebraska Potato Development Act and transfer the balance of the Nebraska Potato Development Fund to the General Fund. The termination would become operative on August 1, 2017.

There is no basis to disagree with the Department of Agriculture that there will be a decrease in cash fund expenditures as a result of the termination of the program. While cash fund spending authority has been established at approximately \$125,000 per year, actual spending from the fund has totaled \$35,000 to \$50,000 in recent years. There will also be a corresponding loss of revenue, estimated to be around 75,000 to \$80,000 per year.

Depending upon the extent of program close-out costs, it is estimated that the balance of the fund could range from \$150,000 to \$200,000 upon the termination date of the act. Because the July 1, 2017 collection would still take place under LB 348, there would be an estimated \$80,000 in revenue deposited into the fund in addition to the FY16-17 year-ending balance. The deposit of the cash fund balance would be credited as General Fund revenue in FY17-18.

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**2017**

**LB<sup>(1)</sup> 348**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Christina Barber Date Prepared: <sup>(4)</sup> 1/26/2017 Phone: <sup>(5)</sup> 402-471-6821

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

	FY 2017-18		FY 2018-19	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	(\$ 127,733 )		(\$ 129,106 )	(\$ 80,000 )
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>(\$ 127,733 )</u>	<u>0</u>	<u>(\$ 129,106 )</u>	<u>(\$ 80,000 )</u>

**Explanation of Estimate:**

This proposed bill repeals the potato shipper license, eliminates the potato checkoff, and terminates the Nebraska Potato Development Fund.

The bill, as written, will require collection of the 1 cent per hundred weight checkoff excise tax due July, 2017 for potatoes grown and shipped July, 2016 through June, 2017. The State Treasurer shall transfer any money in the fund on August 1, 2017, to the General Fund. The reduction of appropriation is based on the agency biennium request.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

POSITION TITLE	NUMBER OF POSITIONS		2017-18	2018-19
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Ag. Commodities Division Manager	0.20	0.20	(\$ 11,002 )	(\$ 11,266 )
Benefits.....			(\$ 2,767 )	(\$ 3,876 )
Operating.....			(\$ 110,964 )	(\$ 110,964 )
Travel.....			(\$ 3,000 )	(\$ 3,000 )
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>(\$ 127,733 )</u>	<u>(\$ 129,106 )</u>