

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

This bill would change a state aid program relating to Indian reservations. The bill has the emergency clause.

The Department of Administrative Services (DAS) shall pay \$3.70 per acre to each county with land held in trust for Indians. Such land has to be over 50,000 acres and the funds are to be used for law enforcement and county operations.

DAS notes that these additional duties could be handled with current staff.

There will be an expenditure impact as this bill creates an obligation for the state to pay funds out of the treasury to any county or counties that qualify. It appears that there is one county with an Indian Reservation that would qualify under this bill: Thurston County.

DAS states the estimated annual expenditure could be as follows: 65,000 acres @ \$3.70 = \$240,500. DAS states the acreage of lands officially held in "federal trust" within Thurston County is an ad hoc estimate provided by the Bureau of Indian Affairs, and the actual portion of Reservation lands held in "federal trust" could not be definitively determined as of March 23, 2009.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Matthew Eash	DATE	3/23/09	PHONE	471-2526
COMMENTS					
Concur that there is no fiscal impact to Administrative Services for administering the payment of funds to counties pursuant to LB380.					
However, there would be an increased state fiscal impact in the amount of funds paid to counties as a result of LB380. The current law, Rev Statute 23-362, sets the maximum amount of state funds at \$100,000, to be made available to any qualifying county; although the existing statute does not create a formula for determining how much a county should receive specifically. Apparently, in the past the Legislature appropriated amounts up to \$100,000 to be paid to qualifying counties. This practice ended as late as 2005, the time at which law enforcement for all reservation lands in Nebraska were provided through the federal Bureau of Indian Affairs.					
LB380 would eliminate the qualification that reservation lands in trust must not already receive federal law enforcement; this elimination thus would allow a county to receive State funds based solely on land area. LB380 also would remove the \$100,000 ceiling and replace it with a formula--\$3.70 per acre. In order to qualify at all, however, a county would have to have at least 50,000 acres of lands in federal trust. It appears that only Thurston County (District 16) has over 50,000 acres of Indian lands held in federal trust, so LB380 would limit eligibility to only Thurston County. LB380 would also specifically authorize payment of \$3.70 per acre, thus providing constructive intent language to be addressed by the Appropriations Committee.					
If funded according to its formula then, LB380 would annually cost the State approximately:					
Thurston County: approx. 65,000* acres @ \$3.70 = \$240,500					
*The acreage of lands officially held in "federal trust" within Thurston County is an ad hoc estimate provided by the Bureau of Indian Affairs. The actual portion of Reservation lands held in "federal trust" could not be definitively determined as of the date of this note. Total area of Thurston County is 253,440 acres, all of which is within the boundaries of the Winnebago and Omaha Reservations.					