

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | |
|---|---------------------|----------------|---------------------|----------------|
| | FY 2010-11 | | FY 2011-12 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | See Below | | See Below |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | See Below | | See Below |
| TOTAL FUNDS | | See Below | | See Below |

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

LB 755 changes provisions related to pipeline companies that have crude oil or natural gas pipelines put into operation.

Under the bill's provisions, such companies shall hold harmless landowners directly affected by the pipeline from liability that may result from having the pipeline pass through the land, except for intentional damage by the landowner.

Section 2(a) requires an annual oil or gas pipeline fee distributed to the State of Nebraska, affected counties, school districts, and landowners beginning January 1, 2011. The fee will be paid by the pipeline companies according to a formula laid out in section (2)(b) of the bill.

The Oil and Gas Conservation Commission does not anticipate any significant fiscal impact over the next three years. However, they caution that there may be additional costs depending on how the bill is interpreted. There is no basis to disagree with this estimate.

The bill's provisions will clearly result in revenue generation for the state, counties, school districts, and landowners. The extent to which revenue is generated cannot be determined at this time. There are simply too many variables involved to make a reasonable estimate.