

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	183,242	See below	173,242	See below
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	183,242	See below	173,242	See below

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

LB 4 would establish the Oil Pipeline Route Certification Act. Companies or individuals intending to construct an oil pipeline in the State of Nebraska would be required to apply to the Department of Environmental Quality (DEQ) and submit an application fee. The application would include information regarding the location and routing of the pipeline, materials to be carried in the pipeline, emergency response plans, potential environmental and economic impacts in the event of a release, and precautions that would be taken to protect natural resources and mitigate the impact of pipeline construction. DEQ would be required to hold a public hearing within 30 days after the receipt of the application.

Upon the effective date of LB 4, the Governor would be directed to appoint a panel, chaired by the Lieutenant Governor, to advise the Governor regarding the issuance of a route certificate. Panel members would include the directors of DEQ and the Department of Natural Resources and representatives from the Game and Parks Commission and the Public Service Commission, along with one county board representative from each congressional district and one resident landowner from each congressional district. DEQ would provide administrative support for the panel and could establish rules and regulations to carry out the purposes of the Act.

No later than 60 days after the receipt of an application, the panel would be required to submit a written recommendation to the Governor regarding the issuance or denial of a route certificate. Within 30 days after receiving the panel's recommendation, the Governor would be required to approve or deny an application. DEQ would then issue a route certificate or prepare a notification of denial. If the Governor did not issue a written directive regarding panel's recommendation within 30 days, the panel's recommendation would be deemed affirmed and DEQ would issue a route certificate or denial. The pipeline applicant would be allowed to appeal the decision to the Supreme Court pursuant to the Administrative Procedures Act.

The fiscal impact of LB 4 would include the following:

Application fee: LB 4 does not specify the amount of an application fee, or where the fee would be deposited. Absent language providing that the fee would be deposited in a cash fund for use by DEQ, it is estimated that any revenue received as a result of an application fee would be deposited in the General Fund.

DEQ costs: DEQ notes that pipeline construction projects of all sizes could fall under the provisions of LB 4 because a pipeline is defined as "...a pipeline constructed or operated in Nebraska for the transportation of petroleum or petroleum components, products, or wastes, including crude oil or any fraction of crude oil, within, through, or across the State of Nebraska." Assuming that a large number of projects would be required to file applications and require panel review, DEQ estimates ongoing costs of \$183,242 in FY11-12 and \$173,242 in FY12-13. It is assumed that costs would come from the General Fund. Depending upon the size of the application fee, some of the General Fund costs could be offset by fee revenue deposited in the General Fund.

If the definition contained in LB 4 was narrowed to apply to only certain types of projects, the cost to the agency would most likely not be ongoing in nature. However, because of the time lines established in LB 4, the agency would require additional staff and/or contractual assistance to carry out the required hearing and technical reviews.

Panel expenses: LB 4 does not specify that private citizens appointed to the panel be reimbursed for costs related to serving on the panel. It is estimated that there would be no fiscal impact to other state agencies with representatives serving on the panel. Expenses related to the technical information that would be provided to the panel are included in the DEQ estimate listed above.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	DATE 11/4/11	PHONE 471-2526
<p>COMMENTS</p> <p>GOVERNOR – Fiscal impact is minimal assuming a small number of applications.</p> <p>LT. GOVERNOR - Fiscal impact is minimal assuming a small number of applications.</p> <p>PUBLIC SERVICE COMMISSION – I concur.</p> <p>DEPT. OF NATURAL RESOURCES – As a panel participant, fiscal impact is minimal with a small number of applications.</p> <p>GAME AND PARKS COMMISSION - As a panel participant, fiscal impact is minimal assuming a small number of applications.</p> <p>ENVIRONMENTAL QUALITY – As administrator, fiscal impact is significant if every new pipeline as defined on page 5, lines 9-12, of LB4 would require review and recommendation. Application fee is directed to the General Fund since a cash fund is not specified.</p>			

FISCAL NOTE LB4
Governor

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Prepared By	Kintner, Lauren
Date Prepared	11/4/2011
Prepared Phone	402-471-2414

LEGISLATIVE FISCAL

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

LB 4 requires the Governor to appoint members to a panel which would review any permit application submitted pursuant to the Oil Pipeline Route Certification Act. LB 4 also requires the Governor to either approve or deny an oil pipeline route permit within 30 days after receiving a written recommendation from the review panel.

Assuming a small number of annual oil pipeline route permit reviews would be performed, any requirements imposed by the bill would be absorbed within existing resources; therefore, the bill presents no fiscal impact to Agency 07.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		

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LEGISLATIVE FISCAL

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LB⁽¹⁾ 4 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Agency 08- Lt. Governor

Prepared by: ⁽³⁾ Lauren Kintner

Date Prepared: ⁽⁴⁾ 11/04/2011

Phone: ⁽⁵⁾ 471-2414

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2011-2012</u>		<u>FY 2012-2013</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 4 requires the Lt. Governor to serve as Chairman of the panel created to perform reviews of oil pipeline route permit applications. Assuming a small number of permit reviews would be performed, the additional duty imposed by the bill would be absorbed within current resources; therefore, there is no fiscal impact to Agency 08.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2011-2012 EXPENDITURES</u>	<u>2012-2013 EXPENDITURES</u>
	<u>11-12</u>	<u>12-13</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

FISCAL NOTE

LB4

NOV 04 2011

Department of Natural Resources

Prepared By	Theis, Ronald
Date Prepared	11/4/2011
Prepared Phone	402-471-0577

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	0	0	0	0
Cash Funds	0	0	0	0
Federal Funds	0	0	0	0
Other Funds	0	0	0	0
Total Funds	0	0	0	0

Explanation of Estimate:

The bill does not affect agency budget or operating costs.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
			0	0
			0	0
		Benefits	0	0
		Operating	0	0
		Travel	0	0
		Capital outlay	0	0
		Aid	0	0
		Capital improvements	0	0
		Total	0	0

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2011

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LB (1) 4 (Special FISCAL NOTE Session)

NOV 04 2011 LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: (2) Game and Parks Commission

Prepared by: (3) Patrick H. Cole Date Prepared: (4) November 3, 2011 Phone: (5) (402) 471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Table with 4 columns: FY 2011-2012 EXPENDITURES, FY 2011-2012 REVENUE, FY 2012-2013 EXPENDITURES, FY 2012-2013 REVENUE. Rows include GENERAL FUNDS, CASH FUNDS, FEDERAL FUNDS, OTHER FUNDS, and TOTAL FUNDS.

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The proposed legislation would qualify the use of eminent domain for oil pipelines. It establishes the Oil Pipeline Route Certification Act. Under said Act, it provides for a process by which an applicant shall apply to the Department of Environmental Quality (DEQ) for approval of a route certificate applicable to the construction of an oil pipeline in Nebraska. The identified process provides for timelines and an appeal process.

Integral to the route certification process is the review of the application by an advisory panel appointed by the Governor. The secretary or another representative of the Nebraska Game and Parks Commission shall serve as one member of the advisory panel. DEQ is to provide all administrative support work for the panel.

Review criteria is identified for the panels consideration. The panel is to provide a recommendation to the Governor whether to approve or deny certification of the proposed route. The Governor will make the final determination on approval or denial.

MAJOR OBJECTS OF EXPENDITURE

Personal Services

Table with 4 columns: POSITION TITLE, NUMBER OF POSITIONS (11-12, 12-13), 2011-2012 EXPENDITURES, 2012-2013 EXPENDITURES. Rows include Benefits, Operating, Travel, Capital outlay, Aid, Capital improvements, and TOTAL.

NGPC currently reviews projects for potential impact to Nebraska's fish and wildlife resources as prescribed

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2011

**LB⁽¹⁾ 4 (Special FISCAL NOTE
Session)**

under other State licensing/authorizing legislation. Provided that the sixty day time line for the Panel to render a recommendation to the Governor can be accommodated by the agency's normal review, no fiscal impact is expected. It may likely necessitate prioritization of other less time sensitive reviews. If the review is more intense, it's possible that an outside contractor may be necessary to assist.

FISCAL NOTE LB4

Environmental Quality

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NOV 3 2011

LEGISLATIVE FISCAL

Prepared By	Lamberson, Thomas
Date Prepared	11/3/2011
Prepared Phone	402-471-4235

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	183,242	Unspecified	173,242	Unspecified
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	183,242	Unspecified	173,242	Unspecified

Explanation of Estimate:

The department assumes that every pipeline would require review and recommendation as a result of LB 4, irrespective of the size of the line. This would include new lines at gas stations since the lines from the tank to the pump carry petroleum products. It would include all lines related to Oil Production, any lines at rail yards, lines installed at gas terminals as well as other pipelines travelling through or in the state.

Since there is a requirement of notice and public meeting for every pipeline and a very short timeline for completion of notice (at least 10 days before public meeting), public meeting (within 30 days of application) and panel report (within 60 days of application), the department estimates it will take two full time employees to administer the requirements of LB 4, including conducting administrative responsibilities related to panel activities.

LB 4 has an application fee. Since the application fee is not directed to a specific fund, our assumption is that it would go to the General Fund.

All administration costs would be from the General Fund.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
Administrative Assistant I	1	1	28,823	28,823
Environmental Quality Programs Specialist II	1	1	41,186	41,186
		Benefits	53,405	53,405
		Operating	39,828	39,828
		Travel	10,000	10,000
		Capital outlay	10,000	0
		Aid	0	0
		Capital improvements	0	0
		Total	183,242	173,242