

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$10,000	\$840		\$840
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$10,000	\$840		\$840

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

LB 274 seeks to create a promotional farmer’s market special designated license under the Nebraska Liquor Control Act. For any craft brewery, micro distillery or farm winery that wishes to sell alcoholic liquor for consumption at a local farmer’s market, they would be able to apply for such a license upon the passing of LB 274. LB 274 dictates that the license will have an annual charge of \$15 to maintain.

The Liquor Control Commission (NLCC) estimates a one-time OCIO programming charge of \$10,000 to implement LB 274. Furthermore, NLCC estimates that approximately half of current licensees eligible for a promotional farmer’s market special designated license will apply or renew per year. This would increase the licensing fees collected by NLCC by \$840 per fiscal year. There is no basis to disagree with these estimates.

LB 274 provides that such licensees that apply and receive a farmer’s market special designated license must also apply for a permit from their local governing body to sell alcoholic liquor at a farmer’s market. Lancaster County expects the impact to such political subdivisions to be negligible, unless an unexpectedly high number of licensees apply for a permit in a given area. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 274	AM:	AGENCY/POLT. SUB: Nebraska Liquor Control Commission (35)
REVIEWED BY: Joe Wilcox	DATE: 01/15/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Liquor Control Commission (NLCC) estimate of potential General Fund Revenue impact to the State and one-time expenditure impact to the Agency, from LB 274.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 274	AM:	AGENCY/POLT. SUB: Lancaster County
REVIEWED BY: Joe Wilcox	DATE: 01/15/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Lancaster County estimate of potential, but small Fiscal Impact to the County, from LB 274.		

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2021

LB⁽¹⁾ 274

FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Liquor Control Commission

Prepared by: (3) LeAnna Prange Date Prepared: (4) 1/15/21 Phone: (5) 402-471-4892

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	10,000	840	0	840
CASH FUNDS	0	0	0	0
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	0	0	0	0
TOTAL FUNDS	10,000	840	0	840

Explanation of Estimate:

NLCC's SDL online portal and main frame system would need to be enhanced and modified to accommodate a new license type for Promotional Farmers Market Special Designated Licenses. These modifications would be completed by the State's OCIO developers.

NLCC determines LB 274 will reduce the number of regular special designated licenses. However, most if not all of these are issued based on a catering license which alleviates costs per special designated license issuance. Therefore, NLCC determines no reduction in revenue. Simultaneously LB 274 introduces an additional low-cost license type with a fee of \$15 annually. The total number of licenses that can apply for this new license type is 113. If approximately half of these licenses utilize farmers markets for their business exposure and sales benefits, 56 Promotional Farmers Market Special Designated Licenses would be issued accounting for \$840 additional license fees collected and deposited into the General Fund. NLCC determines this revenue for subsequent years due to the ability of license renewal.

NLCC would utilize existing staff and resources to inform the industry of this change in the law. There would be no anticipated expenses for subsequent years.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....			0	0
Operating.....			10,000	0
Travel.....			0	0
Capital outlay.....			0	0
Aid.....			0	0
Capital improvements.....			0	0
TOTAL.....			10,000	0

NLCC will work with the State's OCIO developers to create a new license type in our mainframe system. Additionally, NLCC believes there will be

some minor changes to the current online special designated license system.

NLCC would utilize existing staff and resources for any data input and management of implementing LB 274.

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2021

LB⁽¹⁾ 274

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County

Prepared by: ⁽³⁾ Dan Nolte, County Clerk Date Prepared: ⁽⁴⁾ January 15, 2021 Phone: ⁽⁵⁾ 402-441-8721

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

We do not anticipate a fiscal impact from LB 274 unless there are farmers markets established outside the city of Lincoln. It is difficult to estimate the number of persons who may seek a special designated license in that event, however I would not expect a large number.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____