PREPARED BY: DATE PREPARED: PHONE: Scott Danigole January 31, 2024 402-471-0055

LB 1044

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	24-25	FY 2025-26				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS	\$500,000	\$0	\$500,000		\$0		
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$500,000	\$0	\$500,000		\$0		

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

LB 1044 establishes the Task Force to Study and Develop Reparation Proposals for African Americans (the Task Force).

The Task Force shall perform the following duties:

- Identify, compile, and synthesize the relevant corpus of evidentiary documentation of the institution of slavery that existed in the United States;
- Recommend appropriate ways to educate the public of the task force's findings;
- Recommend appropriate remedies in consideration of the task force's findings; and,
- On or before October 1, 2025, and on or before each October 1 thereafter, electronically submit to the Legislature a written report of any findings and recommendations of the task force.

Section 5 allows the task force to appoint and fix the compensation of such personnel as the task force considers appropriate. Administrative, technical, and legal assistance shall be provided by the Attorney General. Additionally, the task force may enter into contracts with public and private entities to conduct research or surveys, preparing reports, and performing other activities necessary to discharge its duties.

LB 1044 creates the Reparations Study Fund which shall consist of any money transferred to it by the Legislature, including from the Marijuana and Controlled Substances Tax Administration Cash Fund. Beginning on the effective date of LB 1044, until October 1, 2027, all proceeds from the tax imposed on marijuana and controlled substances (77-4303) shall be credited to the Reparations Study Fund.

Section 8 provides a sunset date for the Task Force of October 1, 2027.

The Department of Revenue identifies the projected proceeds of the Marijuana and Controlled Substances Tax Administration Cash Fund to be approximately \$400,000 to \$500,000 per year. The provisions of LB 1044 will have no affect on the proceeds, other than the fund to which they are credited. Therefore, there is a net \$0 impact on cash fund revenue.

The task force will require an appropriation in order to fulfill its duties under LB 1044. Without knowing specific costs that will be incurred, it is prudent to fully appropriate any available funds.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 1044	AM:	AGENCY/POLT. SUB: Department of Revenue			
REVIEWED BY:	Kimberly Burns	DATE: 01/30/2024	PHONE: (402) 471-4171		
COMMENTS: The Department of Revenue's assessment of no fiscal impact resulting from LB 1044 appears reasonable.					

LB 1044 Fiscal Note 2024

State Agency Estimate								
State Agency Name: Department of	of Revenue				Date Due LFO:			
Approved by: James R. Kamm		Date Prepared:	01/29/2024		Phone: 471-5896			
	FY 2024-2025		FY 2025-2026		FY 2026-2027			
	Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue		
General Funds		\$ 0		\$ 0		\$ 0		
Cash Funds		Net \$0		Net \$0		Net \$0		
Federal Funds								
Other Funds								
Total Funds		\$ 0		\$ 0		\$ 0		

LB 1044 creates a task force to study and develop reparation proposals for African Americans Study as a result of the institution of slavery. Starting October 1, 2025, the task force will electronically submit a report of any findings and recommendations to the Legislature until the task force is terminated. The Act makes changes to distributions from the Marijuana and Controlled Substances Act. Creates the Reparations Study Fund which will receive funds transferred by the Legislature, distributions from the Marijuana and Controlled Substances Administration Cash Fund and gifts, bequests, or other contributions from public or private entities.

Until October 1, 2027, proceeds from the Marijuana and Controlled Substances Administration Cash Fund will be distributed entirely to the Reparations Study Fund. After October 1, 2027, the current distribution formula will resume. Currently proceeds of the tax are distributed in part to each of the following: the Marijuana and Controlled Substances Tax Administration Cash Fund; the counties from which the proceeds originated to the County Drug Law Enforcement and Education Fund for the county; and to the Nebraska State Patrol Drug Control and Education Cash Fund.

The projected proceeds from the Marijuana and Controlled Substances are approximately \$400,000 to \$500,000 annually, which will go to the Reparations Study Fund instead of the current distribution.

It is estimated that LB 1044 will have no impact on the General Fund revenues.

The operative date for this bill is three months after adjournment.

Major Objects of Expenditure							
Class Code	Classification Title	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures
Benefits							
Operating Costs	Operating Costs.						
Travel							
Capital Improvements	Capital Improvements						
Total		•••••					