

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB 22 relates to marijuana. Purpose is to decriminalize use and possession of marijuana; to remove marijuana from the marijuana and controlled substances tax, to rename a fund, to eliminate obsolete provisions. The bill states that Hemp may only be cultivated by a USDA-licensed hemp producer.

Expenditures:

The Supreme court states that the court caseload and workload would decrease from LB 22 and would have minimal fiscal impact on the agency.

The Nebraska Department of Correctional Services states that this bill could reduce the number of persons in prison but the amount of is indeterminable at this time.

The Nebraska State Patrol estimates that \$115,000 will be needed to acquire ten new police service dogs that will need to be trained in regards to illegal substances not including legalized marijuana.

Revenues:

The tax imposed on marijuana and controlled substances is distributed as follows: five percent to the Marijuana and Controlled Substances Tax Administration Cash Fund; fifty percent to the county where the proceeds originated for credit to the County Drug Law Enforcement and Education Fund; and the remainder to the State Patrol's Drug Control and Education Cash Fund.

The Nebraska State Patrol receives a portion of the revenues collected by the Department of Revenue for tax on marijuana and controlled substances and also receives the restitution that has been paid. NSP estimates 75% of the restitution collected and received by the agency is related to marijuana. Annual revenues in past years have been approximately \$200,000, legalizing marijuana the agency estimates a reduction of \$150,993. The revenue from the funds have been used for new vehicles and crime lab expenses and equipment for drug investigations.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 22	AM:	AGENCY/POLT. SUB: Nebraska Supreme Court (005)
REVIEWED BY: Joe Wilcox	DATE: 02/06/2023	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Nebraska Supreme Court estimate of Potential, but Indeterminate Fiscal Impact to the Agency from LB 22.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 22	AM:	AGENCY/POLT. SUB: Nebraska Department of Correctional Services (046)
REVIEWED BY: Joe Wilcox	DATE: 01/22/2023	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Nebraska Department of Correctional Services (NDCS) estimate of Potential, but Indeterminate Fiscal Impact to the Agency from LB 22.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 22	AM:	AGENCY/POLT. SUB: Nebraska State Patrol (064)
REVIEWED BY: Joe Wilcox	DATE: 01/23/2023	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska State Patrol estimate of potential Fiscal Impact to the Agency from LB 22.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 22	AM:	AGENCY/POLT. SUB: Nebraska Commission on Law Enforcement and Criminal Justice (078)
REVIEWED BY: Joe Wilcox	DATE: 01/11/2023	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska Commission on Law Enforcement and Criminal Justice (Crime Commission) estimate of No Fiscal Impact to the Agency from LB 22.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 22	AM:	AGENCY/POLT. SUB: Nebraska Department of Agriculture (018)
REVIEWED BY: Joe Wilcox	DATE: 01/17/2023	PHONE: (402) 471-4178
COMMENTS: No disagreement with the Nebraska Department of Agriculture estimate of No Fiscal Impact to the Agency from LB 22.		

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 22

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/4/2023 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

Court caseload and workload would decrease by decriminalizing use and possession of marijuana. However, a reasonable estimate of any decrease cannot be determined at this time. A major reason for an indeterminate estimate is that marijuana many times is only one of several offenses charged in a court case. No longer having a marijuana charge may not significantly reduce the total time spent on a case.

Minimal fiscal impact to provide judicial education.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	=====	=====	=====	=====

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 22

FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Department of Correctional Services

Prepared by: (3) Lisa Stanton Date Prepared: (4) 01/11/2023 Phone: (5) (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

LB 22 decriminalizes the use and possession of marijuana. The bill could reduce the number of persons in prison. The specific amount of impact is indeterminable.

Between 2019 and 2022, there were 322 admissions to NDCS that included a marijuana related offense. Over the past 4 years, there has been a decline in the number of admissions related to marijuana.

Admissions for marijuana related offenses:

Received Year	Count of admissions
2019	116
2020	76
2021	70
2022	60

Among the individuals admitted with a marijuana related offense, 64 individuals had convictions related to marijuana possession. Possession of marijuana was the only conviction for 25 of the 64. All 25 were convicted for possession over 1lb of marijuana.

As of December 2022, the average daily prison population (ADP) was 147% of design capacity. The FY22 per diem cost was \$28.38 for each inmate, or \$10,358.63 per year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 22

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 01-19-2023 Phone: ⁽⁵⁾ 402-471-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$265,993		\$150,993	
CASH FUNDS	(\$150,993)	(\$150,993)	(\$150,993)	(\$150,993)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$115,000</u>	<u>(\$150,993)</u>	<u>\$0</u>	<u>(\$150,993)</u>

Explanation of Estimate:

LB 22 legalizes marijuana, with no restrictions on the age of the user/purchaser or on the type of marijuana acquired.

Note that the Agency is identified by statute as the recipient of a portion of the revenues collected by the Department of Revenue related to a tax on marijuana and controlled substances (Section 77-4303 Revised Statutes of Nebraska). It is also the recipient of restitution that has been paid, as ordered by the court in cases where such taxes have not been paid. The Agency estimates that 75% of the restitution collected and forwarded to the Agency is related to marijuana. These revenues are required to be deposited in the Drug Control and Education Cash Fund. Annual revenues in recent years have been approximately \$200,000. The legalization of marijuana would result in a reduction in this revenue estimated at \$150,993. These funds have historically been used to purchase vehicles and equipment for drug investigators, and to fund crime lab expenses and equipment needed for drug investigations. The Fiscal note reflects the reduction in revenues to this cash fund beginning 7/1/23, and the corresponding increase in General Funds to cover these expenses (drug investigator vehicle purchases and crime lab equipment) in the amount of \$150,993. This also results in a corresponding reduction in the Cash Fund appropriation for the same amount of \$150,993.

Lastly, \$115,000 has been built into the fiscal note for the purposes of acquiring ten new police service dogs that will need to be properly trained in regards to illegal substances that do not include legalized marijuana.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$115,000	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$115,000</u>	

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 22

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Crime Commission

Prepared by: ⁽³⁾ Amanda Limbach Date Prepared: ⁽⁴⁾ 1/11/23 Phone: ⁽⁵⁾ 402-471-8799

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

No fiscal impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2023

LB⁽¹⁾ 22

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Agriculture

Prepared by: ⁽³⁾ Ashley Dempsey Date Prepared: ⁽⁴⁾ 1/9/2023 Phone: ⁽⁵⁾ 402-429-2487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____