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 20	25-26					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE					
GENERAL FUNDS									
CASH FUNDS									
FEDERAL FUNDS									
OTHER FUNDS									
TOTAL FUNDS									

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

LB 35 adjusts the nameplate capacity tax for inflation. Beginning January 1, 2025, and each January 1 thereafter, the Department of Revenue shall adjust the tax rate by the percentage change in the Consumer Price Index for All Urban Consumers.

The nameplate capacity tax is imposed on renewable energy generation facilities annually and is currently equal to the total nameplate capacity of the commissioned renewable energy generation facility multiplied by a tax rate of three thousand five hundred eighteen dollars per megawatt. The proceeds of the tax are paid to the county where the renewable energy generation facility is located.

The Department of Revenue estimates the increased amount of nameplate capacity tax distribution to be as follows:

FY25 \$393,000 FY26 \$255,000 FY27 \$279,000

There is no basis to disagree with this estimate.

The Nebraska Power Review Board estimates no fiscal impact.

The Nebraska Association of County Officials (NACO) estimates the distribution to counties would increase by approximately \$80,000 per year. This assumes a CPI inflationary factor of 3%.

There is no basis to disagree with NACO's estimate. It should be noted that the annual amount collected as well as the CPI percentage increase will fluctuate from year to year.

Nameplate capacity tax is also counted in other receipts to calculate local system formula resources under TEEOSA, and therefore, there would be an impact on TEEOSA state aid. Such impact is estimated to be minimal.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE								
LB: 35 AM: AGENCY/POLT. SUB: Nebraska Association of County Officials								
RE\	/IEWED BY:	Jacob Leaver	DATE: 7/29/2024	PHONE: (402) 471-4173				
COMMENTS: The Nebraska Association of County Official's estimated fiscal impact as a result of LB 35 appears reasonable.								

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 35 Spe	cial Session			I	FISCAL NOTE		
State Agency OR Politi	cal Subdivision Name: ⁽²⁾	Nebraska Association of County Officials (NACO)					
Prepared by: ⁽³⁾ Ela	aine Menzel	Date Prepared: ⁽⁴⁾	7/26/2024	Phone: ⁽⁵⁾	402.434.5660		
	ESTIMATE PROVI	DED BY STATE AGEN	CY OR POLITICAL	<u>SUBDIVIS</u>	ION		
	FY 6	2024-25		FY 2025-	-96		
	EXPENDITURES	REVENUE	EXPENDITU	-	<u>REVENUE</u>		
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

Explanation of Estimate:

Beginning January 1, 2025, and each January thereafter, LB 35 would adjust the nameplate capacity tax for inflation by the percentage change in the Consumer Price Index for all Urban Consumers (CPI-U).

In 2023, county budgets show that county government received \$2,673,709 in nameplate capacity tax revenue which was divided among 36 counties. Notably, 6 counties (Antelope, Dixon, Holt, Saline, Wayne, and Webster) made up 78% of the entire total (\$2,076,533). Assuming the CPI-U increases by 3.0 %, total distributions to counties would increase approximately \$80,000.

<u>BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE</u>									
Personal Services:									
POSITION TITLE	NUMBER OI <u>24-25</u>	F POSITIONS <u>25-26</u>	2024-25 <u>EXPENDITURES</u>	2025-26 <u>EXPENDITURES</u>					
Benefits									
Operating									
Travel Capital outlay									
Aid									
Capital improvements									
TOTAL			<u> </u>						

Please complete \underline{ALL} (5) blanks in the first three lines.

LB ⁽¹⁾ 35 (Special Session)			FISCAL NOTE	
State Agency OR Political Subdivision Name: ⁽²⁾	Nebraska Power F	Nebraska Power Review Board		
Prepared by: ⁽³⁾ Sara Birkett	Date Prepared: ⁽⁴⁾	July 29, 2024	Phone: ⁽⁵⁾ 402-471-2301	
ESTIMATE PROVI	DED BY STATE AGEN	CY OR POLITICAL	SUBDIVISION	
FY	2024-25		FY 2025-26	
EXPENDITURES		<u>EXPENDITU</u>		
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				
Explanation of Estimate:				

No Fiscal Impact

BREAKD	OWN BY MAJO	OR OBJECTS OF	EXPENDITURE	
Personal Services:				
POSITION TITLE	NUMBER OI <u>24-25</u>	F POSITIONS <u>25-26</u>	2024-25 <u>EXPENDITURES</u>	2025-26 <u>EXPENDITURES</u>
Benefits	<u> </u>			
Operating				
Travel				
Capital outlay Aid				
Capital improvements				
TOTAL				

2024

LB 0035

Fiscal Note 2024

State Agency Estimate								
Revenue				Date Due LFO:				
Approved by: James R. Kamm		07/29/2024	4 Phone: 471-5896					
FY 202	4-2025	FY 2025-2026 FY 20		<u>FY 2020</u>	26-2027			
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue			
	\$ 0		\$ 0		\$ 0			
			\$ 393,100		\$ 255,150			
	\$ 0		\$ 393,100		\$ 255,150			
	<u>FY 202</u>	Fy 2024-2025 Expenditures Revenue \$ 0	Fevenue Date Prepared: 07/29/2024 FY 2024-2025 FY 2022 Expenditures Revenue Expenditures \$ 0 \$ 0 \$ 0	Fy 2024-2025 FY 2025-2026 Expenditures Revenue Expenditures Revenue \$0 \$0 \$0 \$0 \$393,100 \$393,100 \$100 \$100	Revenue Date Due LFO: Date Prepared: 07/29/2024 Phone: 471-5896 FY 2024-2025 FY 2025-2026 FY 2020 Expenditures Revenue Expenditures Expenditures \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$10 \$393,100 \$10 \$10			

LB 35 amends Neb. Rev. Stat. § 77-6203 is amended so that the nameplate capacity tax imposed on the owner of a renewable energy generation facility is adjusted by the percentage change in the Consumer Price Index for all Urban Consumers, for the twelve-month period ending on August 31st of the previous calendar year. The adjustment will take place on January 1, 2025, and each January 1 thereafter.

It is estimated that this bill will increase the nameplate capacity tax as follows:

	Nameplate Capacity Tax		
FY 25-26	\$	393,000	
FY 26-27	\$	255,000	
FY 27-28	\$	279,000	

It is estimated that there will be minimal costs to the Department to implement this bill.

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 <u>Expenditures</u>	25-26 <u>Expenditures</u>	26-27 <u>Expenditures</u>	
Benefits								
Operating Costs								
	Travel							
Capital Outlay								
	s							