

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				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB40 establishes the Riparian Protection and Water Quality Practices Act. The act is to be administered by the Nebraska Department of Agriculture (NDA) and prescribes consultation with local water management authorities. The act requires NDA to create a buffer-protection map. Landowners within the map created by NDA are required to establish and maintain riparian buffers, the size of which are defined in the act. LB40 describes scenarios where landowners would be exempt.

Local water management authorities would be tasked with providing assistance to landowners to establish and maintain riparian buffers, with NDA providing resources to these local water management authorities. NDA is given discretion on establishing penalties, though fines are not to exceed \$1,000. Fines are to be remitted to the State Treasurer with distribution to the county which the fine was levied in accordance with Article VII-5 of the Nebraska Constitution, as such we anticipate there will be no state revenue generated from fees. The act describes the appeal process for fines levied.

NDA currently operates the Buffer Strip Incentive Program, a voluntary program financed by a \$50 fee on pesticides registered under sections 2-2628 – 2-2633. However, NDA has not established or maintained a map of riparian zones. NRDs do maintain this data, and it is reasonable that NDA will cooperate with NRDs as the act prescribes in creating maps as required by this legislation.

This legislation does not prescribe an amount for aid and requires compliance by 2026. Prior to a census of riparian zones which are already in compliance, any true estimate of state aid is indeterminable, however it is reasonable to assume that it will exceed the \$2.25 million estimate provided by NDA.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 40	AM:	AGENCY/POLT. SUB: Department of Agriculture	
REVIEWED BY: Jacob Leaver	DATE: 1/17/2023	PHONE: (402) 471-4173	
COMMENTS: Concur with the Department of Agriculture's estimated fiscal impact to the agency as a result of LB 40.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 40	AM:	AGENCY/POLT. SUB: Lower Platte South NRD	
REVIEWED BY: Jacob Leaver	DATE: 1/18/2023	PHONE: (402) 471-4173	
COMMENTS: Disagree with the Lower Platte South NRD's estimated fiscal impact to the district as a result of LB 40. It is unclear where the federal funds mentioned by the NRD would be utilized from as the bill currently does not have a funding source.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 40 AM: AGENCY/POLT. SUB: Papio-Missouri NRD

REVIEWED BY: Jacob Leaver DATE: 1/10/2023 PHONE: (402) 471-4173

COMMENTS: No basis to dispute the indeterminable fiscal impact to Papio-Missouri NRD as a result of LB 40.

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

2023

LB⁽¹⁾ 40

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	<u>\$2,536,800</u>	<u> </u>	<u>\$2,546,000</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>\$2,536,800</u></u>	<u> </u>	<u><u>\$2,546,000</u></u>	<u> </u>

Explanation of Estimate:

The bill requires “landowners owning property adjacent to a water body identified and mapped on a buffer-protection map created by the department shall maintain a buffer to protect the state’s water resources.” The department created map will require a 1.0 FTE IT Applications Developer to develop and maintain a GIS database, mapping capability, and public map viewer. The software needed will be approximately \$30,000 per year.

A Program Manager will be required to develop rules and regulations, standards, criteria and implement the program. The position will also work directly with local water authorities to provide the resources as set out in the bill and formulate alternative practices to riparian buffers. To enact regulations, issue administrative penalties, review appeals and enforce the requirements on landowners, the department will require a 0.5 FTE Attorney II.

Sec. 2 (7) the local water management authority must adopt “rule, regulation, ordinance, resolution or official controls providing procedures for the issuance of administrative penalty orders, enforcement, and appeals.” NDA estimates \$2,250,000 per year for grants to local water management authorities for program implementation and enforcement.

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>
<u>Agriculture Program Manager</u>	<u>1.0</u>	<u>1.0</u>	<u>\$53,000</u>	<u>\$55,650</u>
<u>IT Applications Developer</u>	<u>1.0</u>	<u>1.0</u>	<u>\$55,800</u>	<u>\$60,900</u>
<u>Attorney II</u>	<u>0.5</u>	<u>0.5</u>	<u>\$29,000</u>	<u>\$30,450</u>
<u>Benefits.....</u>			<u>\$69,000</u>	<u>\$69,000</u>
<u>Operating.....</u>			<u>\$55,000</u>	<u>\$55,000</u>
<u>Travel.....</u>			<u>\$25,000</u>	<u>\$25,000</u>
<u>Capital outlay.....</u>				
<u>Aid.....</u>			<u>\$2,250,000</u>	<u>\$2,250,000</u>
<u>Capital improvements.....</u>				
TOTAL.....			<u><u>\$2,546,800</u></u>	<u><u>\$2,546,000</u></u>

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2023

LB⁽¹⁾ 40

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lower Platte South NRD

Prepared by: ⁽³⁾ Paul Zillig Date Prepared: ⁽⁴⁾ January 13, 2023 Phone: ⁽⁵⁾ 402.476.2729

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	<u>\$250,000</u>	<u>0</u>	<u>\$250,000</u>	<u>0</u>
CASH FUNDS				
FEDERAL FUNDS	<u>\$2,000,000</u>	<u>0</u>	<u>\$2,000,000</u>	<u>0</u>
OTHER FUNDS	<u>\$100,000</u>	<u>0</u>	<u>\$100,000</u>	<u>0</u>
TOTAL FUNDS	<u>\$2,350,000</u>		<u>\$2,350,000</u>	

Explanation of Estimate:

LB 40 appears to require the establishment of buffers on all streams. For LPSNRD there are approximately 1,000 miles of streams, depending on the definition of streams. This area would require buffer strips on approximately 12,000 acres of land. I estimate the need to devote two full time employees to assist landowners with planning and implementation. Continued assistance with alternative practices and inspections is anticipated, the rules would determine the level of involvement and resources required by the local water managers. Many landowners would choose to apply for existing buffer program assistance from federal (CRP), State (NDA), or local (NRD) sources. Much more work would be required if landowners enter into contracts for assistance from existing programs. Annual payments from existing programs could exceed \$2M, not sure funds are available?

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>
Resources Technician	<u>2</u>	<u>2</u>	<u>\$150,000</u>	<u>\$150,000</u>
Administrative	<u>0.1</u>	<u>0.1</u>	<u>\$10,000</u>	<u>\$10,000</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$160,000</u>	<u>\$160,000</u>

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2023

LB⁽¹⁾ 40

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Papio-Missouri River Natural Resources District

Prepared by: ⁽³⁾ John Winkler Date Prepared: ⁽⁴⁾ January 9, 2023 Phone: ⁽⁵⁾ 402-444-6222

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:

It is not practical to determine the fiscal impact on the District until more specific roles and responsibilities are assigned to the NRD to manager as a water management authority.

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.....	_____	_____	_____	_____