

PREPARED BY: Scott Danigole  
 DATE PREPARED: January 25, 2023  
 PHONE: 402-471-0055

**LB 427**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$22,900)		(\$22,900)
CASH FUNDS	\$6,175			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$6,175	(\$22,900)		(\$22,900)

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

LB 427 strikes the definition of “nonresident contractor” from the Contractor Registration Act. Section 2 strikes language in section 48-2107 that requires the Commissioner of Labor from charging an additional fee of twenty-five dollars for the registration of each nonresident contractor. Under current statute, such fees are credited to the General Fund.

The Department of Labor estimates a cost of \$6,175 to eliminate the requirements from the registration system. The Department of Labor collects \$22,900 per year in the nonresident contractor fees. This revenue will no longer be collected under LB 427’s provisions.

There is no basis to disagree with the Department of Labor’s estimates.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: <b>427</b>	AM:	AGENCY/POLT. SUB: <b>Nebraska Department of Labor</b>	
REVIEWED BY: Kimberly Burns	DATE: 01/26/2023	PHONE: (402) 471-4171	
COMMENTS: The Nebraska Department of Labor’s assessment of fiscal impact for LB 427 seems reasonable given the assumptions used.			

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**2023**

**LB<sup>(1)</sup> 427**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

Prepared by: <sup>(3)</sup> Rea Easton Date Prepared: <sup>(4)</sup> 01/20/2023 Phone: <sup>(5)</sup> 402-416-6809

**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		(22,900)		(22,900)
CASH FUNDS	6,175			
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>6,175</u>	<u>(22,900)</u>	<u></u>	<u>(22,900)</u>

Explanation of Estimate: Out of state contractors will no longer be required to pay a one-time \$25 fee when initially registering. Out of state contractors will also no longer be required to submit a \$25 fee for each contract they receive of at least \$10,000. On average, NDOL collects \$22,900 per year in these fees. The fees are submitted to the State Treasurer for credit to the General Fund. IT estimates it will take 80 hours to eliminate the requirements from our registration system.

**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>
IT Developer Lead	.04		3,926	
Benefits.....			1,312	
Operating.....			937	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<u>6,175</u>	