

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2010-11</b>		<b>FY 2011-12</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	89,500	(See below)	38,500	(See below)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>89,500</b>	<b>(See below)</b>	<b>38,500</b>	<b>(See below)</b>

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1052 would create the Agricultural Assistance and Economic Stability Assistance Act. A board, housed within the Department of Natural Resources, would consider applications made by natural resources districts and joint public entities for assistance in financing water resources management projects. If a project was approved, the Department of Revenue would determine the amount of state sales tax collected by retailers within 2.5 miles on either side of the river, stream or tributary in the designated project area. Of the state sales tax collected, the project would be eligible to receive an amount not to exceed 70% of the sales tax collections, or \$75,000,000 or the total project cost. The remaining 30% of the sales tax collected would be deposited in the Water Resources Cash Fund.

There is a potential for a General Fund revenue loss as a result of LB 1052, although the amount of revenue loss is difficult to estimate due to the lack of specific geographically-based sales tax data. As noted by the Department of Revenue, it would be necessary for the agency to acquire Geographic Information System (GIS) data and related software in order to sort and segregate sales tax receipts. There is no basis to disagree with the agency estimate of \$89,500 in FY10-11 to acquire GIS data and set up a tracking system, and \$38,000 to \$40,000 in subsequent years for staff to operate the system.

The Department of Natural Resources would have some costs related to board meetings. Costs to the agency would depend upon the number of applications and the amount of support that the agency would be required to provide to the board. It is estimated that existing staff could carry out analysis unless there was a high volume of applications. Because a majority of the board would consist of public employees, it is estimated that board-related costs would be minimal.

There would be an increase in revenue to the Water Resources Cash Fund if projects were approved, because the remaining 30% of the state sales tax collections would be deposited in the fund. The amount of potential increased revenue is difficult to determine. Additional fund revenue would result in increased state aid expenditures.

**DEPARTMENT OF ADMINISTRATIVE SERVICES**

<b>REVIEWED BY</b>	Cindy Miserez	<b>DATE</b>	2/4/10	<b>PHONE</b>	471-2526
<b>COMMENTS</b>					
STATE TREASURER – I concur.					
DEPT. OF NATURAL RESOURCES – I have no basis to dispute estimate.					
COORD. COMM. FOR POSTSECONDARY EDUC. – I have no basis to dispute estimate.					
LOWER PLATTE SOUTH NRD – I have no basis to dispute statement.					
PAPIO-MISSOURI RIVER NRD – I have no basis to dispute statement.					