Doug Gibbs February 16, 2011 471-0051

LB 65

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *						
	FY 2011-12		FY 2012-13			
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		(\$2,638,000)		(\$5,415,000)		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS		(\$2,638,000)		(\$5,415,000)		

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 65 amends Nebraska Revised Statutes Section 77-2704.57, to change provisions relating to C-BED projects.

The bill expands the definition of payments to the local community to include payments for materials, services, and parts used to construct or permit the project.

The materials and services are to be obtained from a Nebraska company employing Nebraska residents for at least 18 months prior to the date of the project application for certification as a C-BED project and parts are to be manufactured, assembled, or fabricated in Nebraska.

The Department of Revenue indicates that the definitional change will increase the number of projects qualifying for C-BED status. The Department assumes one additional C-BED project beginning in FY2011-12 and an additional project each year through FY2014-15, with the following fiscal impact:

FY2011-12:	(\$2,638,000)
FY2012-13:	(\$5,415,000)
FY2013-14:	(\$5,485,000)
FY2014-15:	(\$5,565,000)

Cost to implement is expected to be minimal.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY Lyn Heaton DATE 2/22/11 PHONE 471-2526
COMMENTS

DEPARTMENT OF REVENUE: No basis upon which to disagree. It is reasonable to assume the bill could result in additional projects.

		State Agency	Estimate				
State Agency Name: Department	of Revenue				Date Due LFA:	1/18/2011	
Approved by: Douglas Ewald		Date Prepared:	1/14/2011		Phone: 471-5700		
	FY 2011	FY 2011-2012		FY 2012-2013		FY 2013-2014	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		(\$2,638,000)		(\$5,415,000)		(\$5,565,000)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		(\$2,638,000)		(\$5,415,000)		(\$5,565,000)	

LB 65 relates to gross power purchase agreement payments to C-BED project owners. The bill changes the definition of payments that qualify for purposes of the gross power purchase agreement payments. Under LB 65, these payments would include all payments for personal property and services associated with building the C-BED project.

This definitional change will increase the number of projects qualifying for C-BED. This note assumes that one additional C-BED project would begin in FY 2011-12 and add an additional project each year through FY 2014-15. Based on these assumptions, LB 65 is expected to impact the General Fund by the following amounts:

FY 2011-12: (\$2,638,000) FY 2012-13: (\$5,415,000) FY 2013-14: (\$5,485,000) FY 2014-15: (\$5,565,000)

Departmental cost to implement the bill is expected to be minimal.

	Maj	or Objects of E	Expendit	ure			
Class Code	Classification Title	11-12 <u>FTE</u>	12-13 <u>FTE</u>	13-14 <u>FTE</u>	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures
Benefits				L			

Travel							
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