

Scott Danigole January 28, 2011 471-0055

# Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

**ESTIMATE OF FISCAL IMPACT – STATE AGENCIES \*** FY 2011-12 FY 2012-13 REVENUE **EXPENDITURES** REVENUE **EXPENDITURES GENERAL FUNDS** 600 1,500 600 CASH FUNDS 1,500 FEDERAL FUNDS OTHER FUNDS TOTAL FUNDS 1,500 600 1,500 600

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

LB 458 changes provisions related to recovery of expenses relating to wells.

The Oil and Gas Conservation Commission estimates the need for three additional hearings per year at a cost of \$500 per hearing. This estimate appears to be reasonable.

Due to the low dollar figure associated with this fiscal note, it is assumed that the Oil and Gas Commission could address the increased expenditures with currently appropriated funds.

## DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	1/28/11	PHONE 471-2526
COMMENTS			
I have no basis to disagree with Oil an	d Gas Commission's statement	t.	

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## JAN 27 2011 **FISCAL NOTE LB458** Oil and Gas Conservation Commission

Prepared By Sydow, William Date Prepared 1/27/2011 Prepared Phone 308-254-6919

Estimate Provided By State Agency or Political Subdivision						
	FY 2011-	FY 2011-2012		FY 2012-2013		
	Expenditures	Revenue	Expenditures	Revenue		
General Funds	0	0	0	0		
Cash Funds	1,500	600	1,500	600		
Federal Funds	0	0	0	0		
Other Funds	0	0	0	0		
Total Funds	1,500	0	1,500	0		

#### **Explanation of Estimate:**

LB 458 would not have a significant financial impact on our Commission during the new biennium but we do project incurring the costs of three public hearings each year at an estimated cost of \$500 each. We do not project any significant direct revenue to our Commission during the next two years other than three drilling permits every year. However, we believe that exploration companies would drill more successful, high-risk wells if LB 458 were to be authorized. The revenue from oil and gas produced from those wells would be significant revenue sources not only to our Commission's cash fund but to the Permanent School Trust Fund.

Ultimately, LB 458 would serve to increase the development of Nebraska's oil and gas resources by attracting additional risk capital required for deeper, more expensive wells.

	Number of Positions		FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		

### Major Objects of Expenditure