

5/11/12

PREPARED BY: Jeanne Glenn  
DATE PREPARED: January 12, 2012  
PHONE: 471-0056

LB 771

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		28,965		58,943
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		28,965		58,943

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

LB 771 would amend regulatory provisions of the Pure Food Act would also increase the maximum ranges established for initial permit fees and annual inspection fees charged to facilities permitted under the program. Because permit fees are due on August 1 of each year and LB 771 carries the emergency clause, it is estimated that additional revenue would be received beginning in FY12-13. There is no basis to disagree with the Department of Agriculture estimate that an additional \$28,965 in cash fund revenue in FY12-13 and an additional \$58,943 in cash fund revenue would be received in FY13-14. Revenue would be deposited in the Pure Food Cash Fund; because the increased fee revenue would be used to finance existing operations, an increase in the cash fund expenditure authority would not be necessary.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David J. Spatz	DATE	1/13/12	PHONE	471-4179
COMMENTS					
DEPARTMENT OF AGRICULTURE: Concur with Department of Agriculture's analysis and estimate of increased cash fund revenue.					

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LB<sup>(1)</sup> 771 FISCAL NOTE

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: (2) Department of Agriculture

Prepared by: (3) Robert Storant Date Prepared: (4) 1/5/2012 Phone: (5) 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		\$28,965		\$58,943
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$28,965		\$58,943

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 771 changes safety provisions for food establishments. This bill will adopt the majority of the 2009 Food Code as part of the Nebraska Pure Food Act. If adopted, there will be minimal new costs to educate the food industry and to train inspection staff.

The legislation also increases the ceiling amount for fees. The changes will have no fiscal impact on program expenditures. Fees were last increased in 2007 under a plan that would last approximately three years. This was decided in conjunction with the Nebraska Food Industry Review Board. Fees are annually established on license projections and legislated cash fund appropriation amounts.

The estimated annual revenue shall not be greater than 107 percent of program cash fund appropriations allocated to Programs 057 and 061. The fee shall be set so the projected ending cash fund balance shall not exceed 17 percent of program cash fund appropriation allocated, and the fee increase or decrease shall be equally distributed between all license categories. The projection amounts include a minimal inflation factor for expenditures and a slight reduction of licensed establishments, due to the current trend in licenses, as a result of the current economic climate. The ceiling on the fee's projection is based on the Department's ability to operate the current program for five fiscal years (FY2012-13 through FY2016-17), at the current general/cash funding mix.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				