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PREPARED BY: Scott Danigole  
DATE PREPARED: February 16, 2012  
PHONE: 471-0055

**LB 1044**

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	292,644		232,614	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	292,644		232,614	

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

LB 1044 requires the Public Service Commission (PSC) to adopt and promulgate rules and regulations to establish appropriate safety standards and practices applicable to the transportation of hazardous liquids and hazardous liquid pipeline facilities, including both publicly and privately owned facilities, which are not subject to exclusive federal control.

The PSC must submit the necessary certifications and reports and take any other necessary action in accordance with federal code to comply with requirements for intrastate certifications and interstate agency agreements. In addition, the PSC shall pursue designation by the US Secretary of Transportation as an agent to conduct safety inspections of hazardous liquid pipeline facilities located in the state.

The PSC estimates the need to hire three inspectors to address the provisions of LB 1044. Their estimate includes start-up costs, lodging and travel costs, and a vehicle for each inspector. There is no basis to disagree with these estimates.

### DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	2/17/12	PHONE 471-2526
COMMENTS			
PUBLIC SERVICE COMMISSION – The bill would add inspections to pipelines authorized under both the Major Oil Pipeline Siting Act and the State Natural Gas Regulation Act. Presently, there is no pipeline to inspect for Major Oil Pipeline so all inspections would be for Natural Gas pipelines. No basis to disagree with estimate.			

Please complete ALL (5) blanks in the first three lines.

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**LB<sup>(1)</sup> 1044 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Public Service Commission **LEGISLATIVE FISCAL**

Prepared by: <sup>(3)</sup> John Burvainis Date Prepared: <sup>(4)</sup> 2/16/12 Phone: <sup>(5)</sup> 471-0240

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2012-2013</u>		<u>FY 2013-2014</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>292,644</u>	<u>                    </u>	<u>232,614</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u><b>292,644</b></u>	<u>                    </u>	<u><b>232,614</b></u>	<u>                    </u>

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

**Explanation of Estimate:**

Under section 2 of the proposal, the Commission shall conduct safety inspections of hazardous liquid pipeline facilities located in this state. To accomplish this, 3 inspectors are included in the estimated costs. The costs include the purchase of 3 vehicles, estimated gasoline, maintenance and lodging costs, and operating expenses for the program. Provision has also been made for training costs, computer equipment, and specialized equipment needed for the inspection program.

**MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2012-2013</u>	<u>2013-2014</u>
	<u>12-13</u>	<u>13-14</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Inspector	<u>3.0</u>	<u>3.0</u>	<u>131,733</u>	<u>137,646</u>
Benefits.....			<u>59,037</u>	<u>59,994</u>
Operating.....			<u>19,374</u>	<u>19,374</u>
Travel.....			<u>18,000</u>	<u>15,600</u>
Capital outlay.....			<u>64,500</u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>			<u><b>292,644</b></u>	<u><b>232,614</b></u>

**Working Document**

LB 1044 Worksheet

Proposed bill would require the Commission to inspect pipelines for safety standards.

		<u>1st Six Months</u>	<u>2nd Six Months</u>	<u>Year 1 Total</u>	<u>Year 2 Total</u>
Salary (per 1.0 FTE)	3,570	21,420	22,491	43,911	45,882
Fringes:					
FICA		1,639	1,721	3,359	3,510
Retirement		1,607	1,687	3,293	3,441
Health (2 party PPO)	1,047	6,281	6,281	12,561	12,561
Life		13	13	25	25
Work. Comp.	0.010033	<u>215</u>	<u>226</u>	<u>441</u>	<u>460</u>
Total Fringes		9,538	9,700	19,679	19,998
<b>Total Personal Services</b>		30,958	32,191	63,590	65,879
<b>Operating Expenses:</b>					
Communications (Including DP)		300	300	600	600
Rent		820	820	1,640	1,640
Repair & Maintenance of Vehicle (\$ .0359 per mile at 20,000 miles)		359	359	718	718
Gasoline (.15 per mile at 20,000)		1,500	1,500	3,000	3,000
Car Insurance				<u>500</u>	<u>500</u>
<b>Total Operating Expenses</b>				6,458	6,458
<b>Travel:</b>					
Board & Lodging (Fire Marshall budgeted 12,000 for 60,000 miles or .20 per mile)		2,000	2,000	4,000	4,200
Training costs		1,000	1,000	<u>2,000</u>	<u>1,000</u>
Total Travel				6,000	5,200
<b>Capital Expenditures:</b>					
Vehicle				18,000	
Computer/Monitor/Software				1,500	
Testing Equipment				<u>2,000</u>	
Total Capital Expenditures				21,500	0
Total Estimate				97,549	77,538
3 Inspectors				292,646	232,613

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LEGISLATIVE FISCAL

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LB<sup>(1)</sup> 1044 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) State Fire Marshal

Prepared by: (3) Cathy Wann Date Prepared: (4) 1-18-12 Phone: (5) 402-471-9479

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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

Explanation of Estimate:

No Fiscal Impact

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.....	_____	_____	_____	_____