

PREPARED BY: Jeanne Glenn
 DATE PREPARED: February 06, 2012
 PHONE: 471-0056

LB 857

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		See below		See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		See below		See below

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

LB 857 would establish that a person who receives a grant from the Nebraska Environmental Trust Fund (NET) to purchase property, and subsequently sells or transfers ownership interest that property, would be required to repay the amount of the grant. Repayments would be remitted to the State Treasurer for deposit in the Water Resources Cash Fund.

There is a potential loss of revenue to the NET and an increase in revenue to the Water Resources Cash Fund, but exact amounts would depend upon the number of grants that are used to purchase property and whether the grant recipients chose to sell or transfer interest in the property. The Game and Parks Commission states that if the provisions of LB 857 had been in effect over the last two years, \$952,000 in payments would have been deposited in the Water Resources Cash Fund rather than the NET. However, it is not known if future grants and property owner actions would result in repayments at the levels seen over the last two years.

There would be no net impact to state agencies, as the cash fund revenue would simply be deposited in different funds.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	DATE	1/20/12	PHONE	471-2526
COMMENTS					
NEBRASKA GAME AND PARKS COMMISSION: I have no basis to disagree with NGPC's estimate. DEPARTMENT OF NATURAL RESOURCES: I have no basis to disagree with NDNR's statement.					

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

JAN 18 2012

LB⁽¹⁾ 857 FISCAL NOTE

LEGISLATIVE FISCAL

State Agency OR Political Subdivision Name: (2) Nebraska Game and Parks Commission

Prepared by: (3) Patrick H. Cole Date Prepared: (4) January 13, 2012 Phone: (5) (402)471-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		See below		See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

The proposed legislation would require any person receiving a grant from the Nebraska Environmental Trust (NET) Fund who purchases real property with the grant funds and subsequently sells or otherwise transfers an ownership interest in such real property, to repay to the NET board the amount of grant used to purchase the real property. The repayment monies would be credited to the Water Resources Cash Fund as opposed to the Nebraska Environmental Trust Fund. The Nebraska Environmental Trust is part of the Nebraska Game and Parks Commission for administrative purposes only.

While the proposed legislation would have a negative revenue effect on the Nebraska Environmental Trust Fund (NET Fund), it is difficult to quantify the effect. There is some history of the specific type of action addressed, i.e. grant monies used for acquisition with the subsequent sale of the property, in which the NET received repayment (\$651,768.07 in 2011 and \$300,808.66 in 2010). Had the proposed legislation been in place, over \$952,000 would have been diverted from the NET Fund, assuming the original grant applications had not taken a different approach.

Currently two types of grant projects requesting monies for acquisition typically occur that could be impacted by the proposed legislation. One clearly matches the description of the legislative language (sale proceeds, less approved expenses are returned to NET); while another requests, and is granted, the authority to keep any sale proceeds with the stipulation the monies will be retained by the grantee and used for related conservation work (e.g. habitat restoration, conservation easements) or additional property acquisitions resulting in additive environmental benefits.

LB⁽¹⁾ 857 FISCAL NOTE

For the first type, the sale proceeds would be remitted to the Water Resources Fund rather than the current practice of remittance back to the NET Fund. As proposed, it also appears that the NET would not be allowed to take into considerations expenses related to the sale or improvements made prior to sale by the grantee when determining the repayment amount. In the second type the potential for additional and ongoing environmental benefits in excess of the initial grant could be sacrificed.

Some clarification is needed to further define the scope of "a transfer of an ownership interest", and how a transfer that does not involve money (e.g. gifting title or a conservation easement, or entering a management agreement with another entity) could/should be addressed.

Aside from the direct negative revenue impact to the NET Fund the proposed legislation would have, potential changes in grant application structure could result. Grantees desiring more flexibility in acquisition type grants could shift their focus to restoration and or management practices rather than long term protection afforded by acquisition. Cost of these efforts could be greater or less depending upon the property type and desired results.

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.....				

