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PREPARED BY: Scott Danigole  
DATE PREPARED: January 20, 2012  
PHONE: 471-0055

LB 777

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	See Below	See Below
FEDERAL FUNDS	See Below	See Below	See Below	See Below
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB 777 changes provisions related to disposition of funds received by the Attorney General from out-of-court settlements or court orders or judgments.

Section 2 provides that all money received by the Attorney General as a result of awards, judgments, and out-of-court settlements relating to enforcement of violations of the Environmental Protection Act shall be credited to the Nebraska Environmental Trust Fund.

Section 3 all money in the Supplemental Environmental Protection Fund shall be transferred to the Nebraska Environmental Trust Fund for distribution pursuant to the Nebraska Environmental Trust Act.

The bill's provisions will have no cost to administer, but transfers between certain funds will occur. This will result in some funds having reduced balances and others having increased balances. This is illustrated by the Department of Labor's response. The Department of Labor estimates a cash fund decrease of over \$500,000. These are not "lost" dollars for the state. They would be redirected under the bill's provisions and the Department of Labor states that it will not receive the funds into their cash fund.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	DATE	1/18/12	PHONE	471-2526
COMMENTS					
ADMINISTRATIVE SERVICES – STATE ACCOUNTING: No basis to dispute agency analysis by DAS.					
ATTORNEY GENERAL: LB 777 would require all monies received by the AG as a result of awards or settlements relating to the Environmental Protection Act to be remitted to the Nebraska Environmental Trust Fund. Since the shift is between two trust funds, it would not necessarily impact the AG's operations.					
NEBRASKA GAME AND PARKS COMMISSION: Do not disagree with agency analysis relative to the Game and Parks Commission and the Environmental Trust.					

# 2012 Legislative Bill Proposal Fiscal Note

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Bill #: 777

State Agency: Administrative Services – State Accounting

Prepared by: Michael Keays

Date Prepared: 1/9/2012

Phone: 402-471-0600

## Estimate of Fiscal Impact – State Agencies

	FY 2012-13		FY 2013-14	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
<b>Total Funds</b>	0		0	

**Explanation of Estimate:** This bill would require State Accounting to assist the Attorney General's office in setting up a new business unit and to make transfers as needed using the new business unit.

These requirements could be met with current staff and resources and therefore there would be no fiscal impact.

## Major Objects of Expenditure

**Personal Services:**

Position Title:	Number of Positions			2012-13	2013-14
	12-13	13-14		Expenditures	Expenditures
Benefits					
Operating					
Travel					
Capital Outlay					
Aid					
Capital Improvements					
<b>TOTAL</b>					

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LB(1 ) 777 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Attorney General

Prepared by: (3) David Cookson Date Prepared: (4) 1-19-12 Phone: (5) 471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

FY 2012-2013

FY 2013-2014

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0		0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0		0	

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 EXPENDITURES	2013-2014 EXPENDITURES
	12-13	13-14		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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**LB<sup>(1)</sup> 777 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Game and Parks Commission

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

**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	_____	_____	_____	_____
CASH FUNDS	<u>See below</u>	<u>See below</u>	<u>See below</u>	<u>See below</u>
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 all money received by the Nebraska Attorney General's office (AG) as a result of awards, judgments, and out-of-court settlements relating to enforcement of violations of the Environmental Protection Act (EPA) to be remitted to the Nebraska Environmental Trust Fund. Additionally, all money in the AG's Supplemental Environmental Project Fund on the effective date of this act would be transferred to the Nebraska Environmental Trust Fund. The Nebraska Environmental Trust (NET) is part of the Nebraska Game and Parks Commission for administrative purposes only.

The EPA settlement money remittances would appear to be ongoing, whereas the Supplemental Environmental Project Fund transfer would be a onetime transaction. Both revenue sources would be available to the Nebraska Environmental Trust Board for distribution pursuant to the Nebraska Environmental Trust Act.

The NET routinely receives more grant applications than they have money to award, thus any additional monies could be utilized without any significant increase in review and administrative costs, thus no increase in expenditures is anticipated other than an amount equal to the remitted/transferred monies. The amount of monies to be remitted from EPA settlements is undeterminable since it would be based on possible future settlements which are unknown at this time. The amount of money available for transfer from the AG's Supplemental Environmental Project Fund was not available at the time of this fiscal notes preparation.

**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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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**LB<sup>(1)</sup> 777 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Labor

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Prepared by: <sup>(3)</sup> Thuman, Gregg R. Date Prepared: <sup>(4)</sup> 2/8/2012 Phone: <sup>(5)</sup> 402-471-0829

**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				
CASH FUNDS		(561516.87)		(561516.87)
FEDERAL FUNDS		(1,000,000.)		-(1,000,000)
OTHER FUNDS				
<b>TOTAL FUNDS</b>		<b>(1,561,516.87)</b>		<b>(1,561,516.87)</b>

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

**Explanation of Estimate:**

The loss of penalties and interest will cause serious funding issues for the Department of Labor's Contingent Fund by reducing the interest and penalties collected by \$555,094.77. It will also reduce the interest earnings on the lost interest and penalties by an additional \$6,422.10. Also lost would be approximately 10% of the revenues lost to recovered benefit payments through court actions. Since there is no data being tracked on what the amount recovered through court actions it is estimated at 10% of the recovered costs for a year. In addition to the lost revenue from Penalties and Interest, the depositing of Tax or Benefit Overpayments to any fund other than the UTF creates a conformity issue with adverse consequences. Those consequences include, but are not limited to, a loss of the administrative funds that support the administration of the Nebraska Unemployment Insurance Program, estimated at \$15 million for 2012. Federal Unemployment Tax Act (FUTA) tax credits for Nebraska employers would also be lost which would increase their tax liability by \$300 million paid directly to the federal government. Presently employers are eligible for a 5.4% credit against the 6.0% FUTA tax charged. If found to be out of conformity the state risks losing the eligibility for tax credit which will force all employers to pay the federal government at the rate of 6.0%.

**MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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