

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	(222,400)	See below	(222,400)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	(222,400)	See below	(222,400)

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 69 would revise fees assessed under the Pesticide Act. Currently separate registration fees are assessed for specialty and non-specialty pesticides. LB 69 would amend the fee structure to assess a single pesticide registration fee of \$160, which could be adjusted by the Department of Agriculture via rule and regulation. The registration fee would continue to be capped at a maximum level of \$210. Pesticide fees are currently deposited in four different cash funds, and the revisions contained in LB 69 would not impact revenue to the Noxious Weed Cash Fund, the Buffer Strip Cash Fund or the Natural Resources Water Quality Fund. It is estimated that the Pesticide Administrative Cash Fund would receive \$222,400 in lower revenue annually due to the revisions contained in LB 69, but as noted by the Department of Agriculture, fewer costs are now charged to that fund due to administrative realignments within the agency. As a result, it is anticipated that the lower revenue in the fund would have no impact upon the existing agency functions. The agency projects that the \$160 registration fee will provide adequate cash flow for 5 to 6 years before a fee increase adjustment would be necessary.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 69	AM:	AGENCY/POLT. SUB: Department of Agriculture	
REVIEWED BY: David Spatz		DATE: January 24, 2013	PHONE: 471-4179
COMMENTS: Concur with Department of Agriculture's analysis and estimate of decreased cash fund revenue fiscal impact for proposed changes in the bill.			

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

2013

LB⁽¹⁾ 69 FISCAL NOTE

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

Prepared by: (3) Robert Storant Date Prepared: (4) 01/24/2013 Phone: (5) 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	SEE BELOW	_____	SEE BELOW
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	SEE BELOW	=====	SEE BELOW

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

Explanation of Estimate:

LB 69 changes provisions relating to the Pesticide Act. The bill would establish a single \$160 product registration fee for all pesticide products. The department, through a public rule making process, will be able to raise or lower product registration fees to generate adequate cash flow to administer the Act and to use as matching dollars for federal EPA grant funds. There has been an increase in revenue generated to the Pesticide Administrative Cash Fund due to an increase in pesticide products registered and the addition of aerial pesticide business license fees. Also due to realignment of personnel in the Department, there are fewer personnel costs charged to the Pesticide program. If the bill is adopted, approximately \$222,400 less revenue would be generated to the Pesticide Administrative Cash Fund on an annual basis. This will lower the pesticide cash fund balance. It is projected the pesticide program will cash flow for 5-6 years before a fee increase will be necessary.

Currently, separate fees are charged for specialty pesticide (\$160/product) and non-specialty pesticides (\$200/product). The provision for two types of fees has resulted in extra administrative costs due to reviewing and classifying pesticide labels to determine which fee should be collected. Companies have registered new products at the lower fee when the products don't meet the definition of a specialty pesticide, resulting in the Department returning forms, collecting additional fees and processing repayment disbursements. For fiscal year 2011-12 there were fees paid on 5,795 non-specialty products and 5,743 specialty products. Under this bill all pesticide products registered would be assessed \$160 per product.

Fee revenue receipted to the Noxious Weed Cash Fund (\$30.00 per product) and the Buffer Strip Incentive Fund (\$60.00 per product) would not change. For the Natural Resources Water Quality Fund \$110.00 is currently charged only on non-specialty products registered. Under this bill the Natural Resources Water Quality Fund would receive \$55 per registered product on all products. Since there is almost an equal amount of specialty and non-specialty products registered, fee revenue is projected to remain constant. The remaining amount of the fee (\$15.00) would be deposited into the Pesticide Administrative Cash Fund. Currently, \$70.00 of each specialty product is remitted to the Pesticide Administrative Cash Fund.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____

Aid.....
Capital improvements.....
TOTAL.....

_____	_____
_____	_____
_____	_____
_____	_____