

PREPARED BY: Jeanne Glenn
 DATE PREPARED: January 23, 2013
 PHONE: 402-471-0056

LB 68

Revision: 00

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		43,755		46,155
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		43,755		46,155

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

LB 68 would amend provisions of the Plant Protection and Plant Pest Act, including fees assessed upon individuals and entities regulated under the act. The Department of Agriculture would be allowed adjust fees up or down, provided that the fees do not exceed the maximum levels established in LB 68. The agency estimates that the revised fee schedule would result in an additional \$43,755 in cash fund revenue in FY13-14 and \$46,155 cash fund revenue in FY14-15. The increased revenue would be used to meet the existing cash fund expenditure authority and an additional appropriation would not be required.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 68	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 increased cash fund revenue fiscal impact.			

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

2013

LB⁽¹⁾ 68 FISCAL NOTE

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

Prepared by: (3) Robert Storant Date Prepared: (4) 1/14/2013 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	_____	43,755	_____	2,400
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	43,755	=====	2,400

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

Explanation of Estimate:

LB 68 will create a fee mechanism to generate adequate cash fund revenue to sustain the Plant Protection and Plant Pest Act. The department, through a public rule making hearing would have the authority to raise or lower fees not to exceed a statutory maximum. Any fee increases or decreases will be based on workload and time spent regulating the industry.

The proposed legislation simplifies the fee structure for the benefit of those paying the fees and the department in collecting and enforcing the law. The proposed legislation would transition the current fee structure to the new concept during fiscal year 2013-14. Section 11 creates one table for all fees assessed. The table provides a statutory fee effective when the bill goes into effect and also provides statutory maximum fees that cannot be exceeded. Other than establishing a statutory maximum for phytosanitary export certificates and European Borer licenses and certificates, the fee rates for these two programs will remain the same. This is based on workload, time and effort to carry out these 100% fee based duties.

The categorization of nursery dealer, grower and broker would cease to exist, and all persons formerly regulated under those definitions would now be placed in a single category of nursery stock distributor. All nursery stock distributor fees will be due January 1, each year. For the first year, the fee would be set at \$115 for up to one acre on which nursery stock is held, grown or distributed, and \$5 for each additional acre. This would be an increase of \$15 from the current fee of \$100 for nursery dealer or broker licenses, and a new fee structure for nursery growers that currently pay \$25 for the first acre and \$5 for each additional acre. The maximum license fee shall not exceed \$140 for the first acre and \$6 for each additional acre. There are currently 903 licensed dealers and 381 licensed growers. Based on current information, this would generate approximately \$34,910 in additional revenue collected from growers and \$8,845 from dealers and brokers. Under this new fee structure the department believes this more accurately represents the cost/benefit for regulatory nursery work performed.

The department is not requesting an expansion or change to the current base program appropriation. The amount of survey work conducted and associated federal funds received for that work, along with changes to the program's general funds, will impact the amount of nursery fee increase or decrease for future fiscal years.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

_____	_____
_____	_____
_____	_____
_____	_____