

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		(976,044)		(1,171,253)
CASH FUNDS	See below	983,016	See below	1,179,619
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		6,972		8,366

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

LB 63 would credit one-half of the sales and use tax proceeds derived from the sale or lease of motorboats to the State Game Fund to be used for motorboat access development and aquatic invasive species monitoring and control. All of this revenue is currently placed in a combination of the General Fund, the State Highway Capital Improvement Fund (used by the Dept. of Roads) and the Highway Allocation Fund (distributed to cities and counties).

It is estimated that one-half of the sales and use tax proceeds from motorboats will equal \$1,227,027 based on the average of the last five years collections. The following table illustrates the impact on each of the involved funds. The figures for FY13-14 are adjusted to reflect a 10 month impact due to the estimated effective date of September 5th since the bill does not have the emergency clause.

	State General Fund	State Highway Cap. Improvement Fund (Dept. of Roads)	Highway Allocation Fund (Cities and Counties)	State Game Fund (Game and Parks Commission)	Total
FY13-14	(976,044)	(39,507)	(6,972)	1,022,523	0
FY14-15	(1,171,253)	(47,408)	(8,366)	1,227,027	0

The attached fiscal note from the Game and Parks Commission illustrates the planned mixture of expenditures between motorboat access development and aquatic invasive species monitoring and control using the additional revenue placed in the State Game Fund. First year invasive species expenditures are estimated to be \$768,131 which would leave \$254,392 for motorboat access development. In FY14-15 invasive species expenditures are estimated to be \$594,531 which would leave \$632,496 for motorboat access development. Please see the attached Game and Parks Commission's fiscal note for a detailed breakdown of expenditures to be funded with the additional State Game Fund revenue, based on the assumption that all of the additional revenue is to be used to increase current expenditures in this area.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 63	AM:	AGENCY/POLT. SUB: Nebraska Game & Parks Commission
REVIEWED BY: Lyn Heaton	DATE: 3/12/2013	PHONE: 402.471.4181
COMMENTS: The Game & Parks Commission's estimate of increased revenue for the State Game Fund appears reasonable based on estimates provided by the Dept. of Revenue. LB 63 does not provide any additional duties and responsibilities for the Nebraska Game & Parks Commission that increase costs.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 63	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 3/12/2013	PHONE: 402.471.4181
COMMENTS: No basis upon which to disagree with the Dept. of Revenue's analysis.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 63	AM:	AGENCY/POLT. SUB: Dept. of Roads
REVIEWED BY: Lyn Heaton	DATE: 3/11/2013	PHONE: 402.471.4181
COMMENTS: The Dept. of Roads' estimate of increased revenue for the State Highway Capital Improvement Fund appears reasonable based on estimates provided by the Dept. of Revenue.		

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

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LB⁽¹⁾ 63 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Game and Parks Commission (Agency 33)

Prepared by: ⁽³⁾ Patrick H. Cole Date Prepared: ⁽⁴⁾ 1/14/2013 Phone: ⁽⁵⁾ 402-471-5523

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	<u>1,225,000</u>	<u>1,227,027</u>	<u>1,225,000</u>	<u>1,227,027</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>1,225,000</u>	<u>1,227,027</u>	<u>1,225,000</u>	<u>1,227,027</u>

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

Explanation of Estimate:

The proposed legislation would credit one-half of the sales and use taxes collected from the sale or lease of motorboats to the Game Fund for aquatic invasive species monitoring and control as well as motorboat access development.

The Department of Revenue has indicated that sales tax attributable to Motorboat sales in FY 08 through 12 averaged \$2,454,054 annually (\$2,561,453; \$2,314,111; \$2,339,994; \$2,274,914; \$2,779,794). Using this average figure, an estimated \$1,227,027 in revenue would be credited to the Game Fund annually. The first years amount could be affected by the actual implementation date of the bill.

These revenues would be targeted primarily for aquatic invasive species monitoring and control with secondary emphasis on motorboat access development. It would be recommended that the language be modified to ensure motorboat access development included operation and maintenance of facilities. The Nebraska Game and Parks Commission would request an A-bill with this legislation to ensure that the revenue would be additive to existing expenditure authority. An initial annual appropriation of 1.2 million would be requested during the FY14-15 biennium with future requests tempered to actual revenue generation and expenditure needs.

Estimated areas of expenditures are outlined in the following page(s):

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>
F&W Specialist	<u>1</u>	<u>1</u>	<u>51,541</u>	<u>51,541</u>
Conservation Technician I	<u>20</u>	<u>20</u>	<u>237,140</u>	<u>237,140</u>
Benefits.....			<u>42,750</u>	<u>42,750</u>
Operating.....			<u>253,500</u>	<u>253,500</u>
Travel.....			<u>9,600</u>	<u>9,600</u>
Capital outlay.....			<u>173,600</u>	
Aid.....				
Capital improvements.....Motorboat Access.....			<u>456,869</u>	<u>630,469</u>
TOTAL.....			<u>1,225,000</u>	<u>1,225,000</u>

It's anticipated that the following expenses would be supported initially and on an ongoing basis.

Aquatic Invasive Species Program Estimated Budget

Personnel (ANNUAL)

Program Administrator (F&W Prog Specialist @24.779/hr July 1, 2012 rate)	\$51,541
Program Administrator Benefits (OASDI/Ret/Ins)	\$24,608
Seasonal staff -20 positions (40 hrs/week, 24 weeks/yr @ \$12.351/hr)	\$237,140
Seasonal staff Benefits (OASDI)	\$18,142
Total Salaries & Benefits	\$331,431

Equipment

Vehicles - purchase of 5 new pickups for program admin and seasonal use (ONE TIME)	\$125,000
8 decontamination units est \$5,300 ea (ONE TIME, unless more units needed)	\$42,400
Lab equipment for veliger analysis (microscope and specialty lenses) ONE TIME	\$6,200
Total Equipment Expenses	\$173,600

Travel

Travel expenses (ANNUAL)	\$9,600
Total for Travel Expenses	\$9,600

Supplies/Materials

Signs, printed material, chemical for treatment, vehicle fuel. (ANNUAL)	\$95,500
AIS Monitoring supplies - plankton nets, sample containers, sample shipping, etc. (ANNUAL)	\$38,000
Total for Supplies/Materials	\$133,500

Contractual Services

UNL/UNO (or others) Research/Outreach (ANNUAL)	\$120,000
Total for Contractual Services	\$120,000

TOTAL **\$768,131**

ANNUAL on going expenses **\$594,531**
ONE TIME expenses **\$173,600**

The fiscal note expenditures use the previously mentioned annual and one-time costs related to aquatic invasive species management along with an estimated amount to be targeted to motorboat access facility development and operations on publicly owned/managed areas around the state. The amount that would be put use for such things as boat ramp and dock construction/expansion/maintenance, toilet facilities, lighting, parking, and shoreline stabilization would be dependent upon the actual revenue amounts less AIS needs. Depending upon the actual amenities needed and site location/preparation, motorboat access facility costs can range from \$75,000 to \$300,000 each with \$2,000-\$25,000 in annual maintenance costs.

For purposes of this fiscal note, the estimated \$1,227,027 in annual revenue will be rounded down to \$1,225,000 with first year AIS expenditures totaling \$768,131 (annual and one-time costs), an estimated \$456,869 would be targeted to motorboat access facilities the first fiscal year. In subsequent years AIS expenses would be anticipated to be approximately \$594,531 leaving approximately \$630,469 for motorboat

access facilities. The following is the anticipated initial distribution of seasonal staff and decontamination units, but would be adjusted based on new information as it is acquired.

- * **Temporary Staff - Boat Inspections (14): Mac(4), Harlan (2), Johnson/Elwood(1), Calamus/Sherman(1), Papio/Salt Valley Lakes(3), SW Reservoirs(1), Lewis & Clark(2)**
- * **Temporary Staff - Veliger Sampling (2): Eastern Reservoirs**
- * **Temporary Staff - Bait fish sampling (4): 1/district**
- * **Additional Decontamination Unit Locations (8): Lewis & Clark, Calamus, Sherman, Papio Lakes, Salt Valley Lakes, SW Reservoirs - 2, Box Butte, Merritt**

The full \$1,225,000 authority would be requested initially for the Fisheries Division, Program 336, subprogram 005. Once actual revenues and expenditure needs are further refined, future requests could put motorboat access authority in Program 900.

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LB⁽¹⁾ 63 FISCAL NOTE

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

Prepared by: (3) Becky Fleming Date Prepared: (4) 2/15/13 Phone: (5) 402-479-4692

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	_____	(\$50,000)	_____	(\$50,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>(\$50,000)</u>	<u>_____</u>	<u>(\$50,000)</u>

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

Explanation of Estimate:

LB 63 changes the distribution of sales and use tax revenue as it relates to motorboats. This bill allows one-half of the proceeds of the sales and use taxes derived from the sale or lease of motorboats to be credited to the State Game Fund. These proceeds shall be used for motorboat access development and aquatic invasive species monitoring and control.

Effective July 1, 2013 until July 1, 2033, the proceeds from a sales and use tax rate of one-quarter of one percent are credited 85% to the State Highway Capital Improvement Fund and 15% to the Highway Allocation Fund. The State Highway Capital Improvement Fund will be administered by the Department of Roads and the Highway Allocation Fund is distributed to cities and counties. If this bill were to pass, there will be a loss of revenue to the Department of Roads which will result in a reduction of highway construction expenditures.

The Department of Revenue has determined an estimated amount of revenue that would be credited to the State Game Fund of \$1.3 Million per year. The impact of the decrease on the State Highway Capital Improvement Fund is as follows:

Estimate Sales Tax Revenue	\$1,300,000.00
1% Tax Equivalent	236,363.64
One Quarter of 1 Percent	59,090.91
State Highway Capital Improvement Fund @ 85%	50,227.00

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.....	_____	_____	_____	_____

