

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

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

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

LB 353 provides that a Natural Resources District may not promulgate any rule or regulation requiring the use of ground water irrigation to maintain a ground water irrigation right.

The Central Platte Natural Resources District notes that the provisions of LB 353 could impact the use of property located on center pivot corners as offsets to other water uses. Center pivot corners are not irrigated but are certified as irrigated property. If a portion of the irrigation rights on center pivot corners are transferred or cancelled, those rights could be used as offsets for other future uses. Because LB 353 would prevent the transfer or cancellation of the water rights on pivot corners, new users would need to purchase offsets. It has been the policy of the state in recent years to pay for 50% of the offsets, with the district paying the remaining portion. If the state policy to pay for a portion the offsets is maintained, there could be a General Fund fiscal impact to the Department of Natural Resources. The Central Platte Natural Resources District estimates that 4,688 acres could be impacted, with a potential cost over a ten year time span of \$37,500,000. Actual costs to the state on a year-by-year basis will depend upon the amount of offsets purchased and whether the state maintains its policy of paying for a portion of the offsets.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 353	AM:	AGENCY/POLT. SUB: Central Platte Natural Resource District	
REVIEWED BY: Cindy Miserez		DATE: 1/25/2013	PHONE: 402-471-4174
COMMENTS: The Central Platte Natural Resource District outlines a costly scenario. Two other NRDs cite administrative fiscal impact only and an amount that cannot be determined due to many variables. It appears that this is a complex situation where future ramifications should be carefully thought out to avoid future adverse fiscal impacts.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 353	AM:	AGENCY/POLT. SUB: Upper Big Blue Natural Resource District	
REVIEWED BY: Cindy Miserez		DATE: 1/23/2013	PHONE: 402-471-4174
COMMENTS: I have no basis to disagree with the Upper Big Blue Natural Resource District's statement.			

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 353	AM:	AGENCY/POLT. SUB: Papio-Missouri River Natural Resources District	
REVIEWED BY: Cindy Miserez		DATE: 1/23/2013	PHONE: 402-471-4174
COMMENTS: I have no basis to disagree with the Papio-Missouri River Natural Resources District's statement.			

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

**2013**

**LB<sup>(1)</sup> 353 FISCAL NOTE**

State Agency OR Political Subdivision Name: (2) Central Platte NRD

Prepared by: (3) Ron Bishop

Date Prepared: (4) 1/24/13

Phone: (5) 308-385-6282

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2013-14		FY 2014-23 (9 years)	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,250,000.00	0	\$11,250,000.	0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	\$1,250,000.00		\$11,250,000.	
<b>TOTAL FUNDS</b>	<b>\$2,500,000.00</b>	<b>0</b>	<b>\$22,500,000.0</b>	<b>0</b>

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

Explanation of Estimate: **See Attached**

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2013-14 EXPENDITURES	2014-15 EXPENDITURES
	13-14	14-15		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>				

### Explanation of Estimate

Central Platte Natural Resources District has had 3,750 center pivots installed since irrigated acres were certified in 2004. 3,750 pivots result in 15,000 pivot corners involving land that was previously irrigated. Our estimate is that one half of those 15,000 corners (7,500) are not currently irrigated.

Pivot corners range in size from 2.5 – 7.5 acres depending upon the center pivot. Assuming the average corner size of 5 acres, the 7,500 corners not currently irrigated result in 37,500 acres of land that was certified as irrigated but is not currently irrigated.

We estimate that of those 37,500 acres, 50% or 18,750 acres will never be irrigated nor will the irrigation rights be transferred if LB353 becomes law. The estimated impact to the Platte River from 18,750 acres not being irrigated is approximately 4,687.5 acre feet of water. If those 18,750 acres of land and water right are never used but never cancelled the NRD's and the State will have to assume that they are irrigated because they could be put back into irrigation or transferred to another location for irrigation at anytime in the future.

Therefore, the estimated 4,687.5 acre feet of impact to the river will have to be reserved for those potentially irrigated acres instead of being freed up to offset new industrial, commercial or irrigation uses.

If that 4,687.5 acre feet isn't ever cancelled out and freed up for other uses those new uses will have to buy offset water to offset their new impacts to the river. 4,687.5 acre feet of water at the current rate of \$8,000 per acre foot would result in a cost of \$37,500,000. \$37,500,000 to offset river flow impacts that have already been offset by retirement of some of the pivot corners but can't be used if there's a chance in 25 years or 50 years in the future that they water rights for the pivot corner might be used or transferred to another location.

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

**2013**

**LB<sup>(1)</sup> 353 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Upper Big Blue NRD

Prepared by: <sup>(3)</sup> John C. Turnbull Date Prepared: <sup>(4)</sup> 23 January 2013 Phone: <sup>(5)</sup> 402-362-6601

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	FY 2013-14		FY 2014-15	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
FEDERAL FUNDS	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
OTHER FUNDS	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>
TOTAL FUNDS	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>

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

No Fiscal Impact because it most likely would only affect administrative actions.

**MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

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

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

**2013**

**LB<sup>(1)</sup> 353 FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Papio-Missouri River Natural Resources District

Prepared by: <sup>(3)</sup> John Winkler Date Prepared: <sup>(4)</sup> January 22, 2013 Phone: <sup>(5)</sup> 402-444-6222

**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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

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

Explanation of Estimate:

The impact to the District at this time is not calculable due to many variables.

**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.....			_____	_____