

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	See below	(See below)		(See below)
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB 516 would establish the Nebraska Water Legacy Act. The fiscal impact would include the following:

Water Legacy Fund: LB 516 would establish the Water Legacy Fund to be used for water management programs, projects, activities and studies. The fund would receive revenue from ¼ of 1 cent of the proceeds of the sales and use taxes, excluding the proceeds from the sale or lease of motor vehicles. It is estimated that revenue to the fund would total \$60,000,000 to \$75,000,000 annually. Because LB 516 does not designate a specific starting or ending date for the allocation of sales tax revenue to the fund, the specific fiscal year impact cannot be estimated at this time. The reallocation of a portion of the sales and use tax revenue would result in a General Fund loss and a corresponding cash fund revenue increase.

Water Legacy Commission and funding assessment: LB 516 would establish the Water Legacy Commission and would direct the commission to conduct a water management and funding needs assessment and to provide a report on or before December 31, 2014 containing a plan for the Water Legacy Fund. The plan would include a detailed process identifying criteria to be used for production of a priority listing of water management programs, projects and activities eligible from the fund. It is estimated that the cost of doing the initial project assessment and priority listing by December 31, 2014 would require the assistance of private consulting firms and could cost up to \$3,000,000. Because LB 516 does not establish a date for the deposit of sales tax revenue into the Water Legacy Fund, the source of funding for the study is estimated to be General Funds.

Expenditures from the fund in subsequent fiscal years would depend upon when the designated portion of sales and use tax revenues was deposited into the Water Legacy Fund. When fully funded, it is anticipated that \$60,000,000 to \$75,000,000 could be expended annually from the fund. It is assumed that for administrative purposes, the Commission and the fund would be budgeted in the Department of Natural Resources. It is estimated that there will be staffing and operating costs to administer the fund. LB 516 does not specifically allow for administrative expenses to be paid from the fund, and in absence of such language, costs would come from the General Fund.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 516	AM:	AGENCY/POLT. SUB: Nebraska Department of Natural Resources
REVIEWED BY: Cindy Miserez	DATE: 2/28/2013	PHONE: 402-471-4174
COMMENTS: I concur with the Department of Natural Resources' statement of no fiscal impact for the Department of Natural Resources. The fiscal impact of diverting one-quarter of one percent sales tax to the Nebraska Water Legacy Commission that would otherwise go to the General Fund will be presented on the Nebraska Department of Revenue's fiscal note currently being prepared by the Nebraska Department of Revenue.		

LB⁽¹⁾ 516 FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Natural Resources

Prepared by: Ron Theis
⁽³⁾

Date Prepared: 1/25/13
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Phone: 402 471 0577
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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	0	0	0	0
CASH FUNDS	0	0	0	0
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	0	0	0	0
TOTAL FUNDS	0	0	0	00

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

Explanation of Estimate:

LB 516 does not specifically identify DNR resources and would not require direct support. The bill would not have fiscal impact.

The fiscal impact of promulgating rules and regulations for the Commission, if asked, is considered minimal, with no additional personnel or significant operating costs.

NOTE: The Department referred to in Section 3(2) is the Department of *Natural* Resources.

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.....			0	0