

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	2,201,450 to 2,322,750		2,201,450 to 2,322,750	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,201,450 to 2,322,750		2,201,450 to 2,322,750	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 924 would amend various sections of law relating to the regulation of water use. The fiscal impact of LB 924 includes the following:

Offsets of streamflow depletions – LB 924 would allow depletions to streamflow created by new uses to be offset by corresponding ground water controls. Natural resources districts (NRDs) would be allowed to offset depletions by acquiring surface and ground water rights and retiring the rights on a temporary or permanent basis. NRDs would be required to quantify the amount of gain to a streamflow as the result of discontinued use and file a notice of the offset with the Department of Natural Resources. The department would be required to take action a necessary to protect the amount of water specified in the offset notice from diversion. In addition, the department would be directed to consult with and provide assistance to NRDs in the development of offset notices.

The Department of Natural Resources estimates significant cost increases as a result of these provisions, due to the need to provide technical assistance to NRDs in the development of offset notices and to take actions to protect the water specified in offset notices. A majority of the agency’s costs would be the result of additional staff hired to provide surface and ground water modeling services to NRDs and to ascertain compliance with offset notices. The agency assumes that the workload produced by LB 924 may be sufficient to hire 11 FTE staff; costs for staff, benefits and associated operating and travel expenses would total approximately \$750,000 to \$775,000 General Funds annually.

It is estimated that there may be costs to NRDs to carry out provisions of LB 924, but would primarily involve staff time, because technical and water modeling tasks would be carried out by the Department of Natural Resources.

Nongame and Endangered Species Conservation Act – LB 924 would require the Game and Parks Commission, after consulting with an agency regarding compliance with the Nongame and Endangered Species Conservation Act, to provide a written statement setting forth the Commission’s opinion, the basis for the opinion and alternatives for compliance. Decisions would be subject to administrative review upon the request of an applicant. Applicants for permits could apply for exceptions under the act, which would be reviewed by an exemption committee. The exemption committee would consist of the Governor or designee, the director of the state agency or designee, and one designee of each NRD within the project boundaries.

It is estimated that the more formalized process established under LB 924 could result in an increased workload for the Game and Parks Commission. The Commission estimates that 1 FTE position and related operating costs would be required to meet the requirements set forth in LB 924; costs would total \$51,450 General Funds in FY08-09 and \$47,750 General Funds in FY09-10.

Instream appropriations – LB 924 would require the Game and Parks Commission to obtain the approval of each NRD that would be impacted by an instream appropriation prior to filing an application, and NRDs would obtain the approval of the Commission prior to filing an application. It is estimated that the approval process could impact the workload of the Game and Parks Commission and NRDs, but actual costs will depend upon the nature of the application and the information that may be available. At a minimum, additional staff time would be spent reviewing proposed applications.

River basin designations -- LB 924 states that the Department of Natural Resources would not make a preliminary conclusion that a river basin, subbasin or reach was fully appropriated unless all surface water appropriations within the basin were investigated within the preceding three years to determine if all of a portion of the appropriation had been forfeited or abandoned.

The Department of Natural Resources estimates that in order to completely investigate basin surface water appropriations would result in significant expenses. The agency estimates that 21 FTE staff may be required to carry out this portion of LB 924. The agency estimates that total costs for staffing, benefits and related operating and travel costs may total \$1,400,000 to \$1,500,000 General Funds annually.

DEPARTMENT OF ADMINISTRATIVE SERVICES

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<p>COMMENTS</p> <p>GAME AND PARKS COMMISSION – Review seems reasonable, however, actual workload will vary depending on the number of responses requested from Game and Parks.</p> <p>PAPIO-MISSOURI RIVER NRD – Concur.</p> <p>LOWER PLATTE SOUTH NRD – Concur.</p>			