

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	45,000		0	
CASH FUNDS	1,000,000 to 1,400,000	1,000,000 to 1,400,000	1,000,000 to 1,400,000	1,000,000 to 1,400,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	1,045,000 to 1,445,000	1,000,000 to 1,400,000	1,000,000 to 1,400,000	1,000,000 to 1,400,000

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

LB 1061 would establish a \$3 fee on the sale of electronic equipment in Nebraska. Electronic equipment would be defined as a computer, computer monitor or television. A total of \$2.50 of each \$3 fee would be remitted to the Department of Revenue for credit to the Waste Reduction and Recycling Incentive Fund in the Department of Environmental Quality (DEQ). Based upon EPA estimates of total sales of electronic equipment, 71,000,000 to 95,000,000 pieces of electronic equipment are sold in the United States annually. If this total is reduced by the percentage of Nebraska's population to the total U.S. population, it is estimated that 418,900 to 560,500 pieces of electronic equipment could be sold in Nebraska on an annual basis. A \$2.50 fee upon sales of electronic equipment in Nebraska could generate approximately \$1,000,000 to \$1,400,000 annually.

Beginning in 2009, retailers accepting electronic equipment for recycling may qualify for an annual rebate of \$1 per item of electronic equipment sold. DEQ would make determinations regarding eligibility for rebates. It is not known how many retailers would establish such programs and what the effect would be on total revenue in FY09-10 and beyond.

LB 1061 provides that \$1,000,000 be available annually in FY08-09 and FY09-10 from the Waste Reduction and Recycling Incentive Fund for electronic recycling project grant applications.

The Department of Environmental Quality estimates that .50 FTE would be needed to administer provisions of the program. Assuming that the agency would not be prohibited from using the Waste Reduction and Recycling Incentive Fund to administer the program, the \$48,433 in annual administrative expenses could come from cash funds.

The Department of Revenue would incur expenses to collect the fee. Because LB 1061 does not specifically allow the Department of Revenue to deduct administrative expenses from electronic equipment fees collected, as is the case for other revenue sources deposited in the Waste Reduction and Recycling Incentive Fund, it is estimated that expenses would come from the General Fund. It is estimated that costs to track and collect fees may total \$45,000.