PREPARED BY: DATE PREPARED: PHONE: Scott Danigole January 30, 2020 471-0055

LB 915

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 202	20-21	FY 2021-22			
	EXPENDITURES REVENUE EXPENDITURES REVE					
GENERAL FUNDS				See Below		
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS				See Below		

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

LB 915 increases the minimum wage rate for persons compensated by way of gratuities from two dollars and thirteen cents per hour (\$2.13) to three dollars and sixty cents per hour (\$3.60) after January 1, 2021. The rate increases to four dollars and fifty cents per hour (\$4.50) after January 1, 2022.

The Department of Revenue estimates minimal increase in General Fund revenue.

ADMIN	NISTRATIVE SERVICE	ES STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE		
LB: 915	AM:	AGENCY/POLT. SUB: Depart	ment of Revenue		
REVIEWED	BY: Neil Sullivan	DATE: 1/30/2020	PHONE: (402) 471-4179		
COMMENTS: The Department of Revenue estimate of minimal fiscal impact from LB 915 appears reasonable.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 915 AM: AGENCY/POLT. SUB: Department of Labor						
REVIEWED B	REVIEWED BY: Neil Sullivan DATE: 1/16/2020 PHONE: (402) 471-4179					
COMMENTS: The Department of Labor assessment of no fiscal impact from LB 915 appears reasonable.						

LB 915 Fiscal Note 2020

State Agency Estimate						
State Agency Name: Department of Revenue					Date Due LFA:	
Approved by: Tony Fulton		Date Prepare	ed:		Phone: 471-5896	
	FY 2020	<u>)-2021</u>	FY 202	1-2022	FY 202	<u>2-2023</u>
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		Minimal		Minimal		Minimal
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		Minimal		Minimal	_	Minimal

LB 915 gradually increases the state minimum wage for persons compensated by gratuities under section Neb. Rev. Stat. § 48-1203. Under the bill, the following minimum wage rates will apply to persons compensated by gratuities:

- \$2.13 per hour for wages paid before January 1, 2021;
- \$3.60 per hour for wages paid on or after January 1, 2021 and before January 1, 2022; and
- \$4.50 per hour for wages paid on or after January 1, 2022.

LB 915 also amends the posting requirements under section Neb. Rev. Stat. § 48-1205 for employers subject to the Wage and Hour Act. The increase in wage for these individuals may increase their income tax liability; however, the Department estimates that the increase in income tax liability due to the increase in the minimum wage for persons compensated by gratuities will be minimal.

It is estimated that there will be no cost to the Department to implement this bill.

The operative date for this bill is three months after adjournment.

Major Objects of Expenditure							
Class Code	Classification Title	20-21 <u>FTE</u>	21-22 <u>FTE</u>	22-23 <u>FTE</u>	20-21 Expenditures	21-22 Expenditures	22-23 Expenditures
Benefits	Benefits.						
Operating Costs	Operating Costs						
Travel							
Capital Outlay							
Capital Improvements							
Total							

LB ⁽¹⁾ 915			FISCAL NOTE			
State Agency OR Political Subdivision Name: (2)	Nebraska Department of Labor					
Prepared by: (3) Katie Thurber	Date Prepared: ⁽⁴⁾ 1	-14-2020 Phone:	(5) 402-471-9912			
ESTIMATE PROVIDI	ED BY STATE AGENCY	Y OR POLITICAL SUBDIV	ISION			
	020-21		021-22			
EXPENDITURES	<u>REVENUE</u>	EXPENDITURES	REVENUE			
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS						
summary of the Wage and Hour Act properties already required to furnish a summary absorbed into the Nebraska Department	of the Act. Any costs	associated with the c budget.				
<u>BREAKDOWN</u> Personal Services:	BY MAJOR OBJECTS (<u>OF EXPENDITURE</u>				
D 0 0 0 0 0 1 0 0 0 0 0 0 0 0 0 0 0 0 0	MBER OF POSITIONS 20-21 21-22	2020-21 <u>EXPENDITURES</u>	2021-22 EXPENDITURES			
TOSTITON TITE	<u> 21 22</u>	<u>EXILENDITORES</u>	<u> Ban Enditores</u>			
Total Salaries						
Benefits						
Operating						
Travel						
Capital outlay						
Aid						
Capital improvements						
TOTAL						