

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See Below			
CASH FUNDS		See Below		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

This bill would adopt the Marijuana Conviction Clean Slate Act, decriminalize possessory marijuana and synthetic cannabinoid offenses and drug paraphernalia offenses, and change related provisions.

The Supreme Court estimates a preliminary impact as follows: IT systems changes = \$300,000, plus 2 additional staff = \$156,200 for a total of \$456,200. The Court states that a more detailed fiscal impact may be completed at a later date.

The bill provides a fee of up to \$40 to recoup the costs associated with administering the Marijuana Conviction Clean Slate Act. Any revenue generated by this fee could help reduce the General Fund costs estimated by the Supreme Court. The amount of any fee revenue is unknown at this time.

The Nebraska State Patrol (NSP) estimates that they will require 18 positions to implement this bill. NSP estimates having to seal hundreds of thousands of record initially, and then thousands of records monthly. The NSP estimate of \$458,934 in FY23 is for salaries, benefits, and related costs for the employees. They have also estimated one-time costs such as constructing an office, purchasing workstations, chairs, etc.

NSP is estimating a phased-in approach with the final 50% of employees being hired by March 2023. NSP notes that the FY23 amount does not reflect the full annual costs going forward, but such an amount is not provided in their response. Based on a similar bill (LB114), the full annual cost could be over \$800,000.

Because the bill requires NSP to perform additional duties, it is not unreasonable to assume that they would have increased expenditures. Whether or not these estimated costs are reasonable is unknown at this time because the agency has not provided the details that they did in a similar bill (LB114). See the NSP response attached for additional details.

The Department of Health and Human Services states that if they are unable to access felony drug histories to determine eligibility for TANF and SNAP, federal funds for those two programs may be at risk. For the 2020 grant year, funds for TANF was \$56.6 million, and for SNAP it was \$16.7 million. LFO notes that it is unlikely that the intent of this bill is to put at risk TANF and SNAP funds.

The Department of Motor Vehicles and the Crime Commission estimate no fiscal impact from this bill.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>		
<b>LB: 481</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Supreme Court (05)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/17/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Supreme Court estimate of potential Fiscal Impact to the Agency from LB 481.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 481</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska State Patrol (64)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/18/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska State Patrol estimate of potential Fiscal Impact to the Agency from LB 481. The fiscal note does point out that the full impact on the Agency would not occur until FY 2023-24 and beyond.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 481</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Department of Health and Human Services (25)</b>
REVIEWED BY: Joe Wilcox	DATE: 02/16/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Health and Human Services (DHHS) estimate of potential, but Indeterminate Fiscal Impact to the Agency from LB 481. There is no basis to determine if, or to what extent, potential SNAP or TANF federal funds would be impacted.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 481</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Department of Motor Vehicles (24)</b>
REVIEWED BY: Joe Wilcox	DATE: 01/21/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Department of Motor Vehicles (DMV) estimate of No Fiscal Impact to the Agency from LB 481.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
<b>LB: 481</b>	<b>AM:</b>	AGENCY/POLT. SUB: <b>Nebraska Commission on Law Enforcement and Criminal Justice (78)</b>
REVIEWED BY: Joe Wilcox	DATE: 01/28/2021	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska Commission on Law Enforcement and Criminal Justice (Crime Commission) estimate of No Fiscal Impact to the Agency from LB 481.		

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

**2021**

**LB<sup>(1)</sup> 481**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> 05 Supreme Court

Prepared by: <sup>(3)</sup> Eric Asboe Date Prepared: <sup>(4)</sup> 2/16/2021 Phone: <sup>(5)</sup> 402-326-9215

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

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	See Below		See Below	
CASH FUNDS		See Below		See Below
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>				

**Explanation of Estimate:**

Following is an initial fiscal impact. Additional time is necessary to determine how LB481 would be implemented given current IT, court and administrative systems and procedures. A more in-depth fiscal note may be completed at a later time.

1. Significant investment in current and new IT systems would be required. Preliminary minimum estimate: \$300,000 General Funds
2. Additional personnel would also be required to determine clean slate eligibility. Preliminary minimum estimate: 2 FTE, \$156,200.
3. LB481 allows for a filing fee capped at \$40/petition. No estimate at this time of the fee amount since administrative costs have not been determined. No revenue estimate since it is not known how many petitions would be received.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>				

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

2021

LB<sup>(1)</sup> 481

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska State Patrol

Prepared by: <sup>(3)</sup> Carol Aversman Date Prepared: <sup>(4)</sup> 2/17/2021 Phone: <sup>(5)</sup>

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	\$458,934	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	\$458,934	=====

Explanation of Estimate:

LB 481 adopts the Marijuana Conviction Clean Slate Act which provides for certain reliefs related to certain marijuana related convictions. Under the Act, beginning 6/1/23 individuals sentenced for certain marijuana related crimes on or after 1/1/94 may automatically qualify for relief if certain requirements are met. The Act also provides for automatic relief based on a monthly review of records by the State Court Administrator going forward beginning 7/1/23 for certain marijuana related convictions if certain requirements are met. Last, Individuals may also petition for relief at any time regardless of when the offense occurred. This relief would entail that a criminal justice agency respond to a public inquiry in the same manner as if there were no criminal history record information, and such criminal history information shall not be disseminated except in the limited circumstances as identified and defined in the Act. The State Court Administrator shall identify all individuals eligible for Clean Slate relief and shall notify the court of conviction or adjudication, who then is required to issue orders for Clean Slate relief.

In order to implement and administer the requirements of the Marijuana Conviction Clean Slate Act, the Criminal Identification Division of the State Patrol estimates that a total of 18 full time positions would be required. The Act would require the Division to seal hundreds of thousands of records initially. It would also require the processing of potentially thousands of arrest records monthly, on an ongoing basis. Additionally, individuals may petition to have their records sealed, which the Division would then also be required to process on an ongoing basis. These three activities will dramatically increase the need for staffing due to the extreme amount of records that would be required to be flagged, processed and sealed. Additional team members will need to be added in a variety of areas of the Division. These include two Information Technology employees to further develop and automate computer systems to efficiently process this volume of requests. An AFIS team will be needed, consisting of one Records Technician and one Forensic Technician, to ensure arrest records are entered timely. Another team consisting of six Records Technicians will be required to seal and update records as requests are received. A fourth team consisting of six Staff Assistant I employees will be required to properly review and disseminate each request. Additionally, a Records Analysis Supervisor will be needed to supervise the technicians and assistants. Lastly, an Attorney will be required to review and advise on the dissemination of information in order to ensure compliance with the Act, as well as to provide guidance on firearms related questions. The fiscal note reflects the salaries, benefits, supplies, computers, and workstations needed for these 18 additional employees. A phased in approach has been reflected in the fiscal note to reflect the gradual increase of staff needed to accommodate the individual petition requests, and the automatic relief required for eligible individuals beginning on 6/1/2023. This phased in approach reflects the hiring of 50% of the additional staff by 12/31/22, with the remaining 50% being hired by 3/31/23. This phased-in approach ensures that the Agency will be fully staffed, trained and functional when the automatic relief actions are required to be carried out. Note that the cost of constructing an office for the Attorney III has been included in this fiscal note at an estimated amount of \$12,000 as a Capital Improvement, as space does not currently exist for this employee. Costs have been included for the purchase of an AFIS Idemia Workstation at \$70,000 in the second year of the biennium, with ongoing maintenance costs of \$3,000. Costs are also included in the fiscal note for workstations and chairs for these employees at an estimated cost of \$36,000 and \$6,300, respectively. Other costs are also included are supplies and the leasing of computers.

It is important to note that because this Act does not become fully effective until 6/1/23, the costs for personnel are reflected for only a portion of the second year of the biennium (FY 22/23), and therefore do not provide for the full

annual salaries and benefits that the Agency will incur ongoing. This Fiscal Note does not provide a mechanism to reflect the full annual costs to become a part of our base budget for future ongoing years after this biennium. Accordingly, the Agency will need to include and receive the differential in future budget requests in order to maintain the staffing needed to comply with the provisions of this bill for future fiscal years beyond the biennium reflected here.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<u>IT Business System Analyst</u>		1		\$24,453
<u>IT Applications Developer</u>		1		\$27,325
<u>Records Analysis Supervisor</u>		1		\$22,908
<u>Attorney III</u>		1		\$23,431
<u>Staff Assistant I</u>		6		\$69,732
<u>Records Technicians</u>		7		\$67,059
<u>Forensic Technicians</u>		1		\$7,948
<b>Benefits</b> .....				\$84,999
<b>Operating</b> .....				\$6,780
<b>Travel</b> .....				
<b>Capital outlay</b> .....				\$112,300
<b>Aid</b> .....				
<b>Capital improvements</b> .....				\$12,000
<b>TOTAL</b> .....				\$458,934

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

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 2-16-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
<b>GENERAL FUNDS</b>				
<b>CASH FUNDS</b>				
<b>FEDERAL FUNDS</b>				
<b>OTHER FUNDS</b>				
<b>TOTAL FUNDS</b>	See Below		See Below	

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

**Explanation of Estimate:**

LB 481 would adopt the Marijuana Conviction Clean Slate Act, decriminalize possessory marijuana and synthetic cannabinoid offenses and drug paraphernalia offenses, and change related provisions.

Individuals convicted of certain felonies, including drug felonies, may not be eligible for Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF) benefits. Information related to an applicant’s felony is required to determine accurate SNAP and TANF eligibility. It is unclear if DHHS would have access to felony drug criminal histories as federal and state law required to determine SNAP and TANF eligibility. Per CFR 273.11(m), Neb. Rev. Stat. 68-1017.02, and 468 NAC 2-022.03, drug felony convictions must be known to determine accurate SNAP and TANF eligibility according to state and federal regulations. If the state is unable to determine accurate eligibility, SNAP and TANF would be at risk of losing federal funding. The federal funding amount for these two programs for the 2020 grant year was \$56,627,234 for TANF and \$16,745,502 for SNAP administration.

**MAJOR OBJECTS OF EXPENDITURE**

PERSONAL SERVICES:	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
POSITION TITLE				
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
<b>TOTAL.....</b>				

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

**2021**

**LB<sup>(1)</sup> 481**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Motor Vehicles

Prepared by: <sup>(3)</sup> Bart Moore Date Prepared: <sup>(4)</sup> January 20, 2021 Phone: <sup>(5)</sup> 402-471-3902

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

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2021**

**LB<sup>(1)</sup> 481**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> NE Commission on Law Enforcement and Criminal Justice  
(Crime Commission)

Prepared by: <sup>(3)</sup> Bruce Ayers Date Prepared: <sup>(4)</sup> 1-28-2021 Phone: <sup>(5)</sup> 402-471-0359

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

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate: LB 481 has no fiscal impact on the Crime Commission.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>