

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 945 is the County Minimum Wage Option Act.

Under the Act, a county may enact a county minimum wage that is higher than the minimum wage provided for in the Wage and Hour Act, including different rates for persons compensated by way of gratuities and student-learner employees. The county minimum wage ordinance shall apply throughout the entire county.

Section 4 allows for employers that can demonstrate that paying the county minimum wage to certain employees would be unduly burdensome because such employees perform work in multiple counties to apply to the county board for exemption.

The Department of Revenue estimates no cost to implement the bill's provisions. There may be a slight General Fund revenue impact due to increased wages earned and, therefore, income tax collected. This amount is anticipated to be negligible.

Lancaster County notes that costs may be incurred for printing, mailing, and posting of information about LB 935's provisions.

No fiscal impact to the state.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 935	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Patrick Redmond	DATE: 2/10/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Revenue assessment of no fiscal impact from LB 935.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 935	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY: Patrick Redmond	DATE: 1/19/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Nebraska Association of County Officials assessment of no fiscal impact from LB 935.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 935	AM:	AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY: Patrick Redmond	DATE: 1/19/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Lancaster assessment of indeterminate fiscal impact from LB 935.			

State Agency Estimate

State Agency Name: Department of Revenue Date Due LFO:
Approved by: Tony Fulton Date Prepared: 2/9/2022 Phone: 471-5896

Table with columns for FY 2022-2023, FY 2023-2024, and FY 2024-2025, each subdivided into Expenditures and Revenue. Rows include General Funds, Cash Funds, Federal Funds, Other Funds, and Total Funds.

LB 935 would allow counties to enact ordinances to set a minimum wage higher than the state minimum wage for work performed in the county. The ordinance may have different minimum wage requirements for tipped employees and student learner employees described in Neb. Rev. Stat. § 48-1203 and training wages in Neb. Rev. Stat. § 48-1203.01. The minimum wage applies only to work physically performed in the county.

Unlike other county ordinances, a county minimum wage applies within all municipalities in a county. If the employer can demonstrate that paying the county minimum wage is unduly burdensome, the county board may allow an exemption. The county attorney may enforce the ordinance, but there is also a private right of action to recover unpaid minimum wages.

It is estimated that there will be no costs to DOR to implement this bill.

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

Major Objects of Expenditure

Table with columns for Class Code, Classification Title, FTE (22-23, 23-24, 24-25), and Expenditures (22-23, 23-24, 24-25). Rows include Benefits, Operating Costs, Travel, Capital Outlay, Capital Improvements, and Total.

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

2022

LB⁽¹⁾ 935

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/12/2022 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

LB 935 would adopt the County Minimum Wage Option Act and allow counties to adopt ordinances enacting a county minimum wage. This legislation is permissive so it is unknown how many of the 93 counties, if any, would adopt a minimum wage. Additionally, it is unknown what amount the minimum wage would be established at if a county(ies) were to adopt an ordinance.

If the ordinance were adopted, the county would be required to provide a summary of a county minimum wage to employers subject to the ordinance.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</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.

2022

LB⁽¹⁾ 935

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1-19-22 Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

Section 5 –

Estimated start up costs for providing a summary of the Act to each employer would be \$25,250 if Lancaster County requires a summary to be posted. The estimate is based off costs associated with printing and mailing valuation notices. The estimate is using 50,000 summaries for businesses. If the number of summaries changes, the estimated cost per summary is 50.5 cents.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____