

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	See below		See below	
CASH FUNDS			See below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB1186 makes the following changes to the Oil Pipeline Reclamation Act:

- Changes the name to Hazardous Liquid Pipeline Reclamation Act;
- Sets definitions for abandoned pipelines and hazardous liquids;
- Expands definitions of reclamation costs;
- Expands pipeline carrier obligations and reclamations related to de-commissioning;
- Creates pipeline carrier requirements and obligations related to pipeline abandonment;
- Creates responsibilities for real estate holders in providing access to pipeline carriers in carrying out the act;
- Provides a course of civil action for real estate holders who have an abandoned pipeline on their property; and
- Creates the Abandoned Pipeline Cash Fund.

We have no basis to disagree with the cost estimates provided by NDEE. However, as LB1186 states, “The fund shall be administered by the Department of Environment and Energy for use in funding abandoned pipeline reclamation costs under the Hazardous Liquid Pipeline Reclamation Act. The fund shall consist of amounts paid by pipeline operations upon abandoning a pipeline as provided in section 76-3304 and collected by the department and remitted to the State Treasurer for credit to the fund” we assume that after the initial year, at least a portion of the costs may be cash funded. The timing of cash fund revenue is uncertain.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1186	AM:	AGENCY/POLT. SUB: Department of Environment and Energy	
REVIEWED BY: Jacob Leaver	DATE: 2/14/2022	PHONE: (402) 471-4173	
COMMENTS: Concur with the Department of Environment and Energy’s estimated fiscal impact to the agency as a result of LB 1186.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1186	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY: Jacob Leaver	DATE: 2/14/2022	PHONE: (402) 471-4173	
COMMENTS: No basis to dispute with the Supreme Court’s estimate of no fiscal impact to the agency as a result of LB 1186.			

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

2022

LB⁽¹⁾ 1186

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Environment and Energy

Prepared by: ⁽³⁾ Kevin Stoner Date Prepared: ⁽⁴⁾ Feb 14, 2022 Phone: ⁽⁵⁾ 402 471-4214

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	\$169,845		\$169,905	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$169,845</u>		<u>\$169,905</u>	

Explanation of Estimate:

NDEE's interpretation of LB1186 is as follows: NDEE would review the agreement submitted between the real estate owner and the pipeline carrier for the agreed upon reclamation costs between them. NDEE would set up an Abandoned Pipeline Cash Fund for the trust funds to be transferred into after a pipeline has been abandoned. NDEE would reimburse funds from the Abandoned Pipeline Cash Fund to the pipeline carrier or real estate owner that provided documentation of the reclamation costs up to the maximum amount in the agreement. Section 11 states that NDEE shall adopt and promulgate rules and regulations.

LB1186 doesn't state the fee structure, only that the trust funds will go to NDEE to place in the Abandoned Pipeline Cash Fund and then disburse funds to the pipeline carrier and real estate owner. NDEE wouldn't receive any revenue to make this fund self-sustaining. NDEE estimates it will take one Environmental Specialist II and one Accountant III to run the program that includes promulgating rules and regulations, reviewing agreements, reviewing disbursement requests, and disbursing the funds.

If the intent of NDEE's involvement is beyond this, then additional FTE staff would need to be evaluated.

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>
Environmental Specialist II	1.0	1.0	\$47,830	\$48,930
Accountant III	1.0	1.0	\$49,120	\$50,245
Benefits.....			\$29,750	\$30,440
Operating.....			\$43,145	\$40,290
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$169,845</u>	<u>\$169,905</u>

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

2022

LB⁽¹⁾ 1186

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/11/2022 Phone: ⁽⁵⁾ 402-326-9215

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:

No fiscal impact

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.....	_____	_____	_____	_____