

PREPARED BY: Scott Danigole
 DATE PREPARED: March 20, 2023
 PHONE: 402-471-0055

LB 540

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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 540 requires public entities to inform bidders with contract bids exceeding \$500,000 that such bidders are required to

- Submit proof of workers' compensation insurance from all contractors and subcontractors, at every tier of subcontracting,
- Submit a list of subcontractors, at every tier of subcontracting, performing work under the contract, and
- Provide for direct deposit or check with record of payments for all workers employed on the project

No fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 540	AM:	AGENCY/POLT. SUB: Dept. of Administrative Services – State Bldg. Div. & Materiel Div.	
REVIEWED BY: Kimberly Burns	DATE: 02/03/2023	PHONE: (402) 471-4171	
COMMENTS: Concur with the Department of Administrative Services' assessment of no direct fiscal impact from LB 540.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 540	AM:	AGENCY/POLT. SUB: Nebraska Department of Transportation	
REVIEWED BY: Kimberly Burns	DATE: 03/20/2023	PHONE: (402) 471-4171	
COMMENTS: No basis to dispute the Nebraska Department of Transportation's estimate of no significant fiscal impact resulting from LB 540. The Nebraska Department of Transportation could absorb any potential impact within existing resources.			

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

2023

LB⁽¹⁾ 540

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – State Building Division (SBD), Materiel Division – State Purchasing Bureau

Prepared by: ⁽³⁾ Michelle Potts Date Prepared: ⁽⁴⁾ 1/26/2023 Phone: ⁽⁵⁾ 531-207-9029
 Amara Block 402-432-0121

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate:

LB 540 would require public agencies, including the Department of Administrative Service (DAS), to inform bidders on public contracts over \$500,000.00 that the contractors would be required to provide (1) proof of workers' compensation insurance from all contractors and subcontractors, (2) a list of all subcontractors performing work on the contract, and (3) proof of direct deposits or checks evidencing payment to all employees or subcontractors performing work on the contract. The public entity could invoke sanctions against the contractor for noncompliance.

DAS does not anticipate a direct fiscal impact; however, these provisions may increase costs to state vendors, and the increased costs would be passed on to the State. These provisions may also discourage competition on state contracts, which could result in higher costs to the State.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

2023

LB⁽¹⁾ 540

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Transportation

Prepared by: ⁽³⁾ Liza Alderman Date Prepared: ⁽⁴⁾ 3/9/23 Phone: ⁽⁵⁾ 402-479-4692

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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 540 proposes a public entity shall inform bidders with contract bids exceeding five hundred thousand dollars that such bidders are required, upon request by the public entity, to (i) submit proof of workers' compensation insurance from all contractors and subcontractors, at every tier of subcontracting, (ii) submit a list of subcontractors, at every tier of subcontracting, performing work under such contract, and (iii) provide for direct deposit or check with record of payments for all workers employed, and all independent contractors performing work, on the project. The bill would provide the public entity the right to inspect contractor's or subcontractor's records to confirm compliance and invoke sanctions against contractors or subcontractors not in compliance with requirements.

If enacted, NDOT will be able to administer the new criteria within existing resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____