

PREPARED BY: John Wiemer
 DATE PREPARED: January 31, 2025
 PHONE: 402-471-0051

LB 478

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$10,000		\$10,000
CASH FUNDS				\$200,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$10,000		\$210,000

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

LB 478 amends the Nebraska Liquor Control Act.

The bill authorizes the Nebraska Liquor Control Commission (NLCC) to issue an auction permit to an auction house which authorizes the holder thereof to sell alcoholic liquor at auction.

The bills adds that the NLCC may issue a shipping license to a wholesaler located outside the State of Nebraska. Such license shall allow the licensee to ship alcoholic liquor only to a licensed Nebraska wholesaler. A person who receives a license shall pay the fee required in sections 53-124 and 53-124.01 for a wholesalers shipping license. Such fee shall be collected by the NLCC and credited to the General Fund.

Section 53-165.01 is amended to add subsection (2). Under this subsection, the primary source of supply shall reaffirm the brands to be shipped into the State of Nebraska by July 1 of each year, with a renewal period starting 90 days prior to July 1. The NLCC may charge an applicable renewal fee not to exceed \$30, on a form prescribed and furnished by the NLCC. This section is also amended to add that a retailer who is licensed within or outside Nebraska and who holds a shipping license to ship alcoholic liquor from another state directly to a consumer in this state pursuant to subsection (6) of section 53-123.15 is exempt from filing the report described in this section.

The NLCC estimates an increase in General Fund revenues of \$10,000 annually and an increase to the NLCC Rule and Regulation Cash Fund of \$200,000 annually as a result of the bill. There is no basis to disagree with these estimates, except that, based on when the bill will be operative, we estimate that the \$200,000 increase in revenue will not begin until FY27.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 478	AM:	AGENCY/POLT. SUB: Liquor Control Commission	
REVIEWED BY:	Jacob Leaver	DATE: 1/27/2025	PHONE: (402) 471-4173
COMMENTS: Concur with the Liquor Control Commission’s estimated fiscal impact as a result of LB 478.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 478	AM:	AGENCY/POLT. SUB: City of Lincoln	
REVIEWED BY:	Jacob Leaver	DATE: 1/27/2025	PHONE: (402) 471-4173
COMMENTS: Concur with the City of Lincoln’s estimate of no fiscal impact as a result of LB 478.			

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

2025

LB⁽¹⁾ 478

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ Claire Oglesby Date Prepared: ⁽⁴⁾ 1/24/25 Phone: ⁽⁵⁾ 402.441.8301

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</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:

Minimal to no fiscal impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</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.

2025

LB⁽¹⁾ 478

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Liquor Control Commission

Prepared by: ⁽³⁾ LeAnna Prange Date Prepared: ⁽⁴⁾ 1/24/25 Phone: ⁽⁵⁾ 471-4892

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>10,000</u>
CASH FUNDS	<u>0</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u>0</u>	<u>210,000</u>	<u>0</u>	<u>210,000</u>

Explanation of Estimate:

No expenditures expected to implement LB 478.

There will be additional revenue as follows:

It is anticipated auction licenses would be issued with no revenue since no license are outlined at this time. Once rules are outlined, a small licensing fee may be added but the Commission would assume a nominal amount.

It is estimated about 10 Out of State Alcoholic Beverage Wholesalers will apply for shipping licenses to ship into Nebraska generating about \$10,000 licensing fees annually. These license fees would be deposited into the General Fund and would be renewed annually each subsequent year. There may be some alcoholic brands registered by these out of state wholesalers but it would be difficult to estimate as most alcoholic beverages would be already registered by the manufacturer.

In order to maintain accurate records of alcoholic beverages being produced and distributed within Nebraska, Brand Registration became law 7/1/24 per 53-165.01. LB 478 outlines a renewal fee for brand registration not to exceed \$30. Initial registration is currently set at \$20 by rule. Approximately 40,000 brands have been registered since 7/1/24. If all 40,000 brands renew annually with a \$5 fee, this would \$200,000 revenue deposited into the Commission's Rule and Regulation Cash Fund.

The remaining changes in LB 478 are technical in nature and create no additional revenue.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26 EXPENDITURES</u>	<u>2026-27 EXPENDITURES</u>
	<u>25-26</u>	<u>26-27</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				