

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2007-08</b>		<b>FY 2008-09</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		(5,000,000)		(10,000,000)
CASH FUNDS	179,420	5,000,000	169,420	10,000,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>179,420</b>	<b>0</b>	<b>169,420</b>	<b>0</b>

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 704 would establish the Fishable and Swimmable Waters Act. The Department of Environmental Quality (DEQ) would be directed to, by January 1, 2008, develop and put in place a plan to: 1) complete on or before January 1, 2011, total maximum daily load allocations of every stream, lake and public reservoir that failed to meet Nebraska surface water quality standards as of January 1, 2007; 2) complete, on or before January 1, 2017, assessment of every stream segment, lake and public reservoir in Nebraska to determine if applicable state and federal surface water quality standards are met; 3) complete, on or before January 1, 2010, total maximum daily load allocations of all streams, lakes and public reservoirs that are determined not to meet state or federal surface water quality standards; and 4) implement total daily maximum load assessment within three years of its completion, and no later than January 1, 2022.

LB 704 creates a Surface Water Quality Cash Fund and states in legislative intent language that \$5,000,000 would be appropriated from the General Fund to the Surface Water Quality Cash Fund in FY07-08 and \$10,000,000 would be appropriated from the General Fund to the Surface Water Quality Cash Fund in FY08-09. It is assumed that General Funds would be transferred to the cash fund. DEQ estimates that it would hire 2 FTE staff and use contractual services to carry out the initial plan and to work with the Surface Water Quality Blue Ribbon Task Force authorized in LB 704, at a total cost of \$179,420 Cash Funds in FY07-08 and \$169,420 Cash Funds in FY08-09. It is estimated that the balance of the Surface Water Quality Cash Fund would be drawn down over the years in order to implement the plan.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Mike Salzwedel	1/31/07	PHONE 471-2526
<b>COMMENTS</b>			
ENVIRONMENTAL QUALITY – No basis to disagree with agency analysis. LB 704 creates the Surface Water Quality Cash Fund. The appropriation intent is directed to the cash fund, so the reduction of General Fund revenue and increase in cash fund revenue and expenditures is appropriately shown.			