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 DATE PREPARED: February 08, 2010
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LB 1054

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 1054 would establish a correlative rights doctrine to the groundwater of the state. Correlative rights would apply when it was determined by the state or a natural resources district to be necessary to comply with state or federal compacts and agreements. LB 1054 further provides that if groundwater allocations are reduced to zero, the Department of Natural Resources would be required to provide fair and just compensation to landowners.

A fiscal impact to the state would occur only if allocations were reduced to zero. There is no basis to disagree with the Department of Natural Resources estimate that if established, the application of correlative rights would not occur in the near term. The department estimates that there could be a \$10,600,000 financial liability to the state in years when the allocations were reduced to zero. There is no basis to disagree with the methodology used by the agency in developing this estimate. Because no funding source is designated as the source of payment, it is estimated a General Fund appropriation would be required, but only in a year when allocations were reduced to zero.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	DATE	2/5/10	PHONE	471-2526
COMMENTS					
DEPT. OF NATURAL RESOURCES – I have no basis to dispute estimate.					
LOWER PLATTE SOUTH NRD – I have no basis to dispute statement.					
PAPIO-MISSOURI RIVER NRD – I have no basis to dispute statement.					