

Jeanne Glenn February 17, 2011 471-0056

Revision: 00

## FISCAL NO

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FIS	SCAL IMPACT - STA	ATE AGENCIES *	
	FY 201	1-12	FY 2012-13	
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			See below	
CASH FUNDS			See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			See below	See below

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

LB 354 would authorize the following transfers from Petroleum Release Remedial Action Cash Fund to the Weights and Measures Administrative Fund: 1) \$400,000 on July 1, 2012 and 2) \$200,000 on each of July 1, 2013 and July 1, 2014. LB 354 would also amend provisions of the Weights and Measures Act to create a late registration fee that would take the place of the penalty payment currently authorized under law.

The transfer of funds from the Petroleum Release Remedial Action Cash Fund to the Weights and Measures Administrative Fund would increase cash fund revenue received in the Department of Agriculture. Because the Weights and Measures program is funded with General and Cash funds, either a General Fund appropriation decrease or an adjustment in program fees could be carried out to reflect the increased revenue resulting from the transfers.

The transfer of funds out of the Petroleum Release Remedial Action Cash Fund would impact that amount of revenue that would be available for the Department of Environmental Quality to expend for underground storage tank remediation projects.

DEPARTMENT OF ADMINISTRATIVE SERVICES.

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	REVIEWED BY	David Spatz	2/10/11	PHONE 471-4179
COMMENT		· · · · · · · · · · · · · · · · · · ·		

COMMENTS

DEPT. OF AGRICULTURE - No basis to dispute agency analysis and estimate of net increased cash funds revenue fiscal impact.

ENVIRONMENTAL QUALITY - No basis to dispute agency analysis and estimate of decreased cash fund revenue fiscal impact.

### FISCAL NOTE LB354 Agriculture

FEB 0 3 2011 LEGISLATIVE FIS.

Prepared By	Storant, Robert
Date Prepared	1/24/2011
Prepared Phone	402-471-6821

#### Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds			(200,000)	
Cash Funds		(10,000)	200,000	390,000
Federal Funds				
Other Funds				
Total Funds		(10,000)	0	390,000

#### **Explanation of Estimate:**

LB 354 transfers funding from the Petroleum Release Remedial Action Cash Fund to the Weights and Measures Administrative Fund. The transfers are required to be used to conduct petroleum product dispenser licensing and inspection functions. Currently, the department inspects and regulates 23,058 petroleum devices. Under the current funding mix for FY 2010-11, industry inspection fees fund approximately \$290,000 (59%) of the \$490,114 cost to inspect and regulate petroleum devices. State general funds are used to fund the rest of the cost at approximately \$200,000.

In the LR 542 report, the Agriculture Committee identified as an option to reallocate a portion of the expiring annual transfers from the Petroleum Release Remedial Act Cash Fund to the EPIC fund to replace general funds for petroleum meter inspections. The report indicates \$200,000 for two fiscal years, FY 2013-15. LB 354 provides for \$400,000 beginning July 1, 2012 for FY 2012-13 and additional \$200,000 transfers on July 1, 2013 and July 1, 2014. Since the bill doesn't state, it is unknown if the transfers totaling \$800,000 over three years are meant to offset the approximate \$200,000 general funds currently budgeted for the upcoming biennium and the following out biennium.

If general funds are reduced by \$200,000 in FY 2011-12 with no offsetting cash transfer, there would be a \$200,000 funding shortfall during that year to complete our statutory requirements and program reductions would be required to handle this shortfall. If the \$400,000 transfer in July, 2012 is intended to offset the shortfall in the previous fiscal year, it is unknown how this would work if the intent is to maintain an ongoing statutory required inspection program.

This bill also changes the penalty to apply only to late registration fees and no longer requires a delequent fee for device inspection fees. It's estimated this change will result in approximately \$10,000 less revenue being generated each year.

The fiscal impact above reflects \$10,000 less penalty revenue for each year. Due to the unknown funding for FY 2011-12 the fiscal note reflects continued general funds for petroleum device inspections. For FY 2012-13 the revenue reflects the \$400,000 transfer less \$10,000 penalty fees. If the legislative action takes general funds of \$200,000 from this program in FY 2012-13 expenditures for FY 2012-13 then reflect a program funding shift of \$200,000 less in general funds that would not be offset by an increase of \$200,000 in cash funds. The bill does not take into consideration any increase in costs due to inflation. The bill also does not address continued program funding beyond FY 2014-15.

#### Major Objects of Expenditure

	Number	of Positions	FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
·		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		

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# FISCAL NOTE LB354 Environmental Quality

Prepared By	Lamberson, Thomas
Date Prepared	1/19/2011
Prepared Phone	402-471-4235

#### Estimate Provided By State Agency or Political Subdivision

	FY 201	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue	
General Funds					
Cash Funds				(\$400,000)	
Federal Funds					
Other Funds					
Total Funds		0		(\$400,000)	

#### **Explanation of Estimate:**

LB 354 transfers \$400,000 from the Petroleum Release Remedial Action Cash Fund to the Weights and Measures Administrative Fund on July 1, 2012 and \$200,000 from the Petroleum Release Remedial Action Cash Fund to the Weights and Measures Administrative Fund on both July 1, 2013 and July 1, 2014.

Technically, this is not a reduction in revenue to the fund nor an expenditure from the fund. For purposes of this fiscal note, the department identified the transfer as a reduction in revenue to the fund, because it has the same impact as a reduction in revenue.

**Major Objects of Expenditure** 

major objects of Experiences					
	Number	of Positions	FY 2011-2012	FY 2012-2013	
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures	
		Benefits			
		Operating			
		Travel			
		Capital outlay			
		Aid			
		Capital improvements			
		Total			