

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB 462 changes provisions of the One-Call Notification System Act.

Sections 3 through 6 provide definitions for “Board of directors”, “Center”, “Locator”, and “Ticket” for purposes of the Act.

Section 7 provides the board of directors with the authority to:

- Propose all rules and regulations to be adopted and promulgated pursuant to this section (76-2319);
- Hire and retain staff and contract with the State Fire Marshal for services to carry out the Act;
- Appoint a dispute resolution board to initiate proceedings upon a complaint filed with the board to hear evidence regarding such complaint and make recommendations to the State Fire Marshal;
- Determine the parameters of cases the dispute resolution board shall hear; and
- Have such other authority as provided by rules and regulations adopted and promulgated by the State Fire Marshal that are not inconsistent with the Act.

Section 8 limits underground facility location activities to be performed by a locator licensed by the State Fire Marshal. The State Fire Marshal is required to adopt minimum training standards and practices. Applications to become a licensed locator must be made to the State Fire Marshal and a fee may be established by the Fire Marshal to offset the costs of administering the locator license program.

Section 9 provides for dispute resolution.

Section 11 provides for violators acting as an unlicensed locator to pay an amount not to exceed five hundred dollars (\$500) per violation.

The State Fire Marshal identified three areas in which LB 462 will impact the agency: **Licensing Locators, Contracting with the Board of Directors** for services, and Initiating a proceeding before, being a member of, and issuing orders on behalf of the **Dispute Resolution Board**.

Licensing Locators

The Fire Marshal would need staff assigned to determine the training standards used, development of a database needed for applications, staff assigned to process the applications and issue licenses, and staff assigned to process and conduct issues of license revocation. Without knowing the number of locators operating in the state and how many would make applications, the Fire Marshal cannot determine the fiscal impact of Licensing Locators at this time.

Contracting with the Board of Directors

The Fire Marshal notes that the bill is silent regarding the types of activities the agency would perform under such contracts. It is possible that the activities could include services that require staff. Furthermore, depending on the type of activities, the salary and operational costs could vary widely. The Fire Marshal is unable to estimate the fiscal impact of Contracting with the Board of Directors due to this uncertainty.

Participation on a Dispute Resolution Board

The Fire Marshal is unable to determine the fiscal impact associated with being a member of, the enforcing entity of, or both roles for the Dispute Resolution Board. There is no way to accurately predict the number and type of incidents that would come before such a board. Without such an estimate, staffing and time requirements cannot be determined.

It is clear that the Fire Marshal anticipates some level of fiscal impact due to the provisions of LB 462, but without more information, the impact cannot be determined at this time. The bill's provisions allow for Cash Fund revenue through licensing fees and this will offset some of the bill's costs. It is unclear if the Cash Funds will be sufficient to cover all the costs.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 462	AM:	AGENCY/POLT. SUB: Nebraska State Fire Marshal (021)
REVIEWED BY: Joe Wilcox	DATE: 01/28/2019	PHONE: (402) 471-4178
COMMENTS: No basis to dispute the Nebraska State Fire Marshal estimate of potential but indeterminable Fiscal Impact to the Agency from LB 462.		

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

2019

LB⁽¹⁾ 462

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Fire Marshal

Prepared by: ⁽³⁾ Deb Hostetler Date Prepared: ⁽⁴⁾ 1/28/19 Phone: ⁽⁵⁾ (402) 471-9479

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

The Fiscal Impact of LB 462 on the State Fire Marshal (SFM) Agency is indeterminable at this time. The LB would impact the Agency in three main areas: 1) Licensing Locators; 2) Contracting with the Board of Directors for services to carry out the One Call Notification System Act; and 3) Initiating a proceeding before, being a member of and issuing orders on behalf of the Dispute Resolution Board.

The process of licensing Locators would be similar to processes already done by the SFM. The Agency is familiar with what would be required to carry out this activity; however, there would need to be staff assigned to determine the training standards to be used, the development of a database needed for the applications, staff assigned to process the applications and issue the licenses, and staff to process and conduct issues of revocation of the licenses. The factor that is indeterminable is the number of locators operating in Nebraska that would be processed by this system. It is unknown how many locators are operating in the state and how many would be making applications. Without this information, the Agency cannot determine an accurate fiscal impact, nor the scale of work that would be required.

The language of the bill is also unclear as to what actions are to be performed by SFM staff under a Contract with the Board of Directors. If these actions were to include hiring new staff to conduct investigations, such staffing would be at a Deputy level and would include salary, benefits, and operating costs. If these actions were to include administrative support for the new duties of the Board, such support would have different salary, benefits, and operating costs. Without a clear understanding of the Contract's effects, the Agency cannot determine specific costs at this time.

Finally, the Agency cannot determine the fiscal impact of participation on a Dispute Resolution Board, either as a member, as the enforcing entity, or in both roles, without knowing an approximate number and type of incidents that would come before such a Board. Without this knowledge, staffing levels to support this Board cannot be determined (staff on the board, or the staff needed to process complaints, initiate a proceeding before the Board, file the notices with all parties, and send out notice of liability, or conduct the Appeals Hearings). Additionally, without knowing approximately how many incidents would be brought before the Board on an annual basis, the costs of supplies for opening proceedings, serving notice to all parties by certified mail or personal service, or convening an Appeals Hearing cannot accurately be determined at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				