

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	76,000 to 132,000	See below	76,000 to 132,000	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	76,000 to 132,000	See below	76,000 to 132,000	See below

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

LB 803 would establish the Pulse Crop Resources Act. As defined in LB 803, pulse crops are dry peas, lentils, chickpeas or garbanzo beans, faba beans and lupin. A 5-member Pulse Crop Development, Utilization, and Marketing Board would be created and appointed by the Governor no later than July 1, 2020. The board would have the authority to establish an administrative office and to enter into contracts for the furtherance of the pulse crop industry in Nebraska.

Beginning July 1, 2020, a 1% excise tax would be levied on the net market value of pulse crops sold through commercial channels in the State of Nebraska. The revenue would be deposited in the Pulse Crop Development, Utilization and Marketing Fund for use by the board. Estimated revenue levels include:

Dry Edible Peas: The USDA Agricultural Statistics Service indicated that in 2018, dry edible peas produced in Nebraska had a value of \$9,200,000. This value was based upon a price of \$10 per hundredweight (CWT). Currently, the USDA indicates a dry edible pea price of \$5.83 per CWT. Based upon the variance in prices, it is estimated that revenue generated from a 1% excise tax on market value could range from \$46,000 to \$92,000. Revenue would also vary depending upon the acres planted and acres harvested.

Chickpeas or Garbanzo Beans: The USDA Agricultural Statistics Service indicated that the chickpea/garbanzo bean production in Nebraska totaled 236,000 CTW. The USDA provided no information on the total value of the crop, but based upon the current price range of \$13 to \$17 per hundredweight, the estimated total value would be \$3,068,000 to \$4,012,000. It is estimated that revenue could range from \$30,000 to \$40,000. Revenue would be variable, depending upon the acres planted, acres harvested, and the market value of the commodity..

Total agency revenue: Based upon the above estimates, total revenue deposited in the Pulse Crop Development, Utilization and Marketing Fund could range from \$76,000 to \$132,000 per year. LB 803 allows the board to adjust the excise tax levy, provided that it not be less than 1% of the net market value or more than 2% of the net market value. Adjustments to the levy could increase revenue from the base level that is assumed in this fiscal note.

For the purposes of this fiscal note, it is assumed that the Pulse Crop Development, Utilization and Marketing Board would contract with the Department of Agriculture to provide excise tax collection and necessary accounting services. The remainder of the funds would be available to pay for meeting-related expenses and to enter into contracts for research and promotional/marketing services. Any decisions to hire staff would be based upon board decisions.

Dry Bean Commission revenue loss: Because LB 803 would amend the definition of a dry edible bean to exclude chickpeas or garbanzo beans, there would be a revenue loss to the Dry Bean Commission. The current fee assessed on dry beans is 15 cents per CWT. Assuming 236,000 CTW of chickpeas/garbanzo beans are grown and sold in Nebraska, the revenue loss to the agency could total \$35,700 annually. In recent years, the agency has received approximately \$490,000 in revenue, which includes the assessment on chickpeas/garbanzo beans.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 803	AM:	AGENCY/POLT. SUB: Nebraska Department of Agriculture	
REVIEWED BY: Claire Oglesby	DATE: 1/23/20	PHONE: (402) 471-4174	
COMMENTS: Concur with Nebraska Department of Agriculture's fiscal note.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 803	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Claire Oglesby	DATE: 1/17/20	PHONE: (402) 471-4174	
COMMENTS: Concur with University of Nebraska's fiscal note.			

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

2020

LB⁽¹⁾ 803

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Agriculture

Prepared by: ⁽³⁾ Patty Richard Date Prepared: ⁽⁴⁾ 1/21/2020 Phone: ⁽⁵⁾ 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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:

This bill creates a new Commodity Board as a State Agency identified as the Pulse Crop Development, Utilization, and Marketing Board.

If the Board were to contract with NDA for fee collection, expenditure processing and audit, at this time it is anticipated that no additional finance staff would be hired to accommodate the additional commodity contract.

There may need to be fee updates to Nebraska Interactive which should be financed from the new Board. No material fiscal impact anticipated at this time as existing revolving authority would be utilized.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</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.

2020

LB⁽¹⁾ 803

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ University of Nebraska

Prepared by: ⁽³⁾ Michael Justus Date Prepared: ⁽⁴⁾ 1/13/2020 Phone: ⁽⁵⁾ 402-472-7109

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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:

LB 803 creates the Pulse Crop Board, with a non-voting University member, but would have no or nominal fiscal impact to the University.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____