

Revised based upon amendments adopted

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	0	0	76,000 to 132,000	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0	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 Dry Pea and Lentil Resources Act. As defined in LB 803, dry peas and lentils means dry peas, lentils, chickpeas or garbanzo beans, faba beans and lupins. A 5-member board would be created and appointed by the Governor no later than July 1, 2021. The board would have the authority to establish an administrative office and to enter into contracts for the furtherance of the dry pea and lentil industry in Nebraska.

Beginning July 1, 2021, a 1% excise tax would be levied on the net market value of dry peas and lentils sold through commercial channels in the State of Nebraska. The revenue would be deposited in the Dry Pea and Lentil 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 Dry Pea and Lentil 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 Dry Pea and Lentil 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.