

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated to reflect AM150

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$41,650		\$83,300	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$41,650		\$83,300	

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

LB 324 would create standards for the inspection of animal shares and define animal shares within the Nebraska Meat and Poultry Inspection Law.

Animal share means an ownership interest in an animal or herd of animals created by a written contract between an informed end consumer and a farm or rancher that includes a bill of sale to the consumer for an ownership interest in the animal or herd and a boarding provision under which the consumer boards the animal or herd with the farmer or rancher for care and processing and the consumer is entitled to receive a share of meat from the animal or herd.

LB 324 would allow for the sale of animal shares under the Nebraska Meat and Poultry Inspection law if the following conditions are met:

- The meat is made available pursuant to an animal share and is:
 - Received on the farm or ranch where livestock subject to share is located;
 - Received by or on behalf of the owner of the animal share; and
 - Obtained from the particular livestock subject to the animal share;
- Ownership of the livestock is established by contract prior to slaughter;
- A prominent warning that meat has not been inspected is affixed to the packaging;
- Information relating to the standards on the farm or ranch with respect to livestock health is provided to the end consumer;

LB 324 creates the Independent Processor Assistance Program. This is applied to address supply chain disruption caused by a public health emergency, increase and improve livestock slaughter and meat processing capacity, expand market access for small livestock producers, and facilitate workforce development. LB 324 allows for the administration of funds to eligible livestock processors and sets standards for eligibility.

Funds can be used on capital improvements to expand capacity, upgrades to utilities, livestock intake and storage equipment, processing and manufacturing equipment, packaging and handling equipment, warehouse equipment, waste treatment and management, other technology that can expand capacity, building rentals if those are used to expand capacity, costs associated with increased inspections, and education and workforce training. LB 324 states that the program is contingent upon funds being made available. Funding source is not identified, and the Independent Processor Assistance Program does not specify how the funds would be dispersed (eg, grants, loans, or tax credits).

AM150 strikes the reporting requirements and administrative filing with the Department of Agriculture. Those cost reductions are reflected in this updated fiscal note.

We agree with the Department of Agriculture that a program specialist would be necessary to implement this legislation. We do not see any reason to dispute their findings.

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

2021

LB⁽¹⁾ 324 – AM 150

FISCAL NOTE

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

Prepared by: ⁽³⁾ Patty Richard Date Prepared: ⁽⁴⁾ 3/16/2021 Phone: ⁽⁵⁾ 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>41,650</u>	<u> </u>	<u>83,300</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u>41,650</u>	<u> </u>	<u>83,300</u>	<u> </u>

Explanation of Estimate:

AM 150 removes the administrative filing and annual reporting as required from Section 10.

Section 11 creates the Independent Processor Assistance Program, and the source of funding is contingent on funds being available.

An Agriculture Program Specialist is included to coordinate the grant program.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Agriculture Program Specialist	<u>0.5</u>	<u>1.0</u>	<u>22,500</u>	<u>45,000</u>
Benefits.....			<u>14,150</u>	<u>28,300</u>
Operating.....			<u>5,000</u>	<u>10,000</u>
Travel.....			<u> </u>	<u> </u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u>41,650</u>	<u>83,300</u>