

PREPARED BY: Eric Kasik
DATE PREPARED: February 18, 2025
PHONE: 402-471-0053

LB 611

Revision: 01

Revised to include agency response

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See Below		See Below	
FEDERAL FUNDS	See Below		See Below	
OTHER FUNDS	See Below		See Below	
TOTAL FUNDS	See Below		See Below	

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

LB 611 updates the International Building Code, International Residential Code and International Conservation Code from the 2018 edition to the 2021 edition.

The Department of Administrative Services estimates the update will generally increase the cost of construction by 6%. Although this is possible, it is not clear what projects will increase in costs or what funds will be affected.

The fiscal impact of LB611 is indeterminable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 611	AM:	AGENCY/POLT. SUB: State Electrical Division	
REVIEWED BY: Ryan Walton		DATE: 1/24/2025	PHONE: (402) 471-4174
COMMENTS: The State Electrical Division's assessment of no fiscal impact from LB 611, appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 611	AM:	AGENCY/POLT. SUB: Board of Engineers and Architects	
REVIEWED BY: Ryan Walton		DATE: 1/28/2025	PHONE: (402) 471-4174
COMMENTS: The Board of Engineers and Architect's assessment of no fiscal impact from LB 611, appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 611	AM:	AGENCY/POLT. SUB: Department of Administrative Services (DAS)	
REVIEWED BY: Ryan Walton		DATE: 2/18/2025	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with DAS' assessment of indeterminate fiscal impact from LB 611.			

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

2024

LB⁽¹⁾ 611

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Administrative Services (DAS) State Building Division (SBD); Task Force for Building Renewal (TFBR), and the Office of Capitol Commission (OCC) ENTERPRISE

Prepared by: ⁽³⁾ Brent Flachsbart

Date Prepared: ⁽⁴⁾ 1/27/2025

Phone: ⁽⁵⁾ 531-207-9029

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$144,421		\$144,421	
FEDERAL FUNDS	52,634		52,634	
NCCF FUNDS	\$76,421		\$76,421	
TOTAL FUNDS	<u>\$276,476</u>		<u>\$276,476</u>	

Explanation of Estimate:

LB 611 adopts the 2021 edition of Chapter 13 of the International Building Code (IBC) and all but such chapter of the 2018 edition and the 2021 edition of Chapter 11 of the International Residential Code (IRC) and all but such chapter of the 2018 edition into the state building code.

These code changes will require additional minimum standards for any new construction, additions, or renovations for radon resistance and require new lighting, heating, cooling, ventilating or water heating equipment or controls to meet the 2021 International Energy Conservation standards. DAS-State Building Division, the Task Force for Building Renewal and Office of the Capitol Commission (OCC) and other agencies involved in capital construction projects anticipate an increase in future construction costs due to these code changes.

Any changes to the cost of a project could impact various fund types (cash, revolving, etc.). These changes could also have an impact on the General Fund and the Nebraska Capital Construction Fund (NCCF).

It is assumed that any current projects would be grandfathered in, and the new requirements wouldn't be applicable.

It is difficult to determine the historical cost of capital construction projects that would have been impacted by the proposed energy codes and the scope, amount and fund type of any projects to be funded in the future. In FY2023 new capital construction expenditures were \$2,005,987 and \$7,109,877 in FY2024 for a two-year total of \$9,115,864.

Using the two-year costs of \$9,115,864 and assuming an increase of 6% (it is difficult to determine the increase in costs) in projects costs because of the new energy costs would have resulted in an increase of \$546,952 in project expenditures over the two years or \$273,476 per fiscal year.

The table below reflects the fund type for the previous two-year projects.

Fund Types	FY23 & FY24 Expenditures	6% Increase by Fund Type	Per Fiscal Year
Cash	\$4,814,035	\$288,842	\$144,421
Federal	\$1,754,471	\$105,268	\$52,634
NCCF	\$2,547,359	\$152,842	\$76,421
Total	\$9,115,864	\$546,952	\$276,476

The increased costs could result in fewer projects being funded or result in a reduction in scope due to funding limitations.

There is a fiscal impact to DAS and other agencies involved in capital construction projects for future construction projects on which construction is initiated on or after the effective date of this act (September 2026), but the exact amount is indeterminant, depending on the availability of funding and funding types, the number and scope of future projects.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....			\$276,476	\$276,476
Aid.....				
Capital improvements.....				
TOTAL.....			\$276,476	\$276,476

LB⁽¹⁾ 611

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Board of Engineers and Architects

Prepared by: ⁽³⁾ Jon Wilbeck

Date Prepared: ⁽⁴⁾ January 27, 2025

Phone: ⁽⁵⁾ 402-471-2021

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	<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:

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

LB⁽¹⁾ 611

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Electrical Division Agency 030

Prepared by: ⁽³⁾ Craig Thelen

Date Prepared: ⁽⁴⁾ 1/23/2025

Phone: ⁽⁵⁾ 402-471-3508

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	No Fiscal Impact	No Fiscal Impact	No Fiscal Impact	No Fiscal Impact

Explanation of Estimate:

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			No Fiscal Impact	No Fiscal Impact