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PREPARED BY: Jeanne Glenn
DATE PREPARED: February 06, 2012
PHONE: 471-0056

LB 1057

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	1,000,000	2,500,000	2,250,000	3,500,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	1,000,000	2,500,000	2,250,000	3,500,000

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1057 would amend the per-bushel fee levied by the Nebraska Corn Board. Current law establishes a fee not to exceed four-tenths of a cent per bushel; LB 1057 would amend the fee to five-tenths of a bushel and not more than 1 cent per bushel. The operative date of the fee increase would be January 1, 2013.

Based upon the operative date of the act, the Nebraska Corn Board estimates an additional \$2,500,000 in revenue in FY12-13 and an additional \$3,500,000 in revenue in FY13-14. Revenue in the last 2 years has ranged from \$3,500,000 to \$3,900,000.

The current cash fund expenditure authority for the Nebraska Corn Board is \$4,954,818. Based upon this appropriation level and the estimated increase in cash fund revenue, there is no basis to disagree with the agency estimate that an increased \$1,000,000 Cash Fund expenditure authority would be required in FY12-13 and an additional \$2,250,000 in cash fund expenditure authority would be required in FY13-14. The agency notes that it would expend the funds for new cooperative projects and for marketing, education and research projects.

LB 1057 would also allow the Nebraska Corn Development, Utilization and Marketing Fund to receive gifts, grants, bequests or other contributions from public and private entities, including license fees and royalties. Current law does not allow the fund to receive sources of revenue other than the excise tax. There may be a small increase in revenue as a result of these provisions, but the amount cannot be estimated at this time.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	David J. Spatz	DATE	2/3/12	PHONE	471-4179
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COMMENTS

DEPARTMENT OF AGRICULTURE: No basis to dispute agency analysis respective to the Department of Agriculture.

NEBRASKA CORN BOARD: Concur with the Nebraska Corn Board estimate of additional tax receipts from increasing the excise tax on corn. The provisions of LB 1057 do not cause additional expenditures or require additional appropriations.

Technical note: Section 4 lacks harmonizing language remitting tax receipts "to the State Treasurer" for credit to the Nebraska Corn Development, Utilization and Marketing Fund.

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LEGISLATIVE FISCAL

2012

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

LB⁽¹⁾ 1057 FISCAL NOTE

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

Prepared by: ⁽³⁾ Robert Storant Date Prepared: ⁽⁴⁾ 2/3/2012 Phone: ⁽⁵⁾ 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.
Explanation of Estimate:

LB 1057 changes and eliminates provision of the Nebraska Corn Resources Act. There will be a minimal fiscal impact to the Department with the passage of this bill to change the computer system with the new rate and to notify first purchasers of the rate change.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013 EXPENDITURES	2013-2014 EXPENDITURES
	12-13	13-14		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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LEGISLATIVE FISCAL

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

LB⁽¹⁾ 1057 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Corn Board

Prepared by: ⁽³⁾ Don Hutchens Date Prepared: ⁽⁴⁾ 01/30/2012 Phone: ⁽⁵⁾ 402-471-2676

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2012-2013</u>		<u>FY 2013-2014</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	<u>1,000,000</u>	<u>2,500,000</u>	<u>2,250,000</u>	<u>3,500,000</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>1,000,000</u>	<u>2,500,000</u>	<u>2,250,000</u>	<u>3,500,000</u>

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 1057 would increase the corn check-off assessment from .0025 to .005 cents per bushel, expand the authority of the Corn Development, Utilization and Marketing Fund to receipt funds other than from check-off and creates a process the board can raise or lower the check-off assessment rate with seven or more affirmative votes by increments of one-tenth of a cent but the rate shall not exceed one cent per bushel.

The bill as written contains an operative date of January, 2013.

The board's current FY 2011-12 budget is projected to generate \$3,500,000 in revenue based on 9 million acres harvested @ 170 bushel/acre. USDA's current estimate for the 2011-12 Nebraska corn crop is 9.6 million acres harvested @ 160 bushel/acre. Based on data from the last three fiscal years, 31-33% of each year's corn crop is marketed after April 1st with the check-off collected in the following state's fiscal year. Acres produced, yield and when the corn is marketed, will affect the final amount of revenue generated each fiscal year. The corn check-off is collected on a quarterly basis, with the exception of commodity credit loan grain that is remitted on a monthly basis. This creates a lag as to when the revenue is actually shown as a receipt in the cash fund. This is the basis for approximately one-third of the revenue being collected in the following fiscal year.

The board projects to generate approximately \$2,500,000 in additional check-off fees in FY 2012-13 and \$3,500,000 in FY 2013-14. This is assuming an October, 2012 operative date and planted acres and yield remain relatively constant with no additional change in the check-off rate.

The Corn Board's FY 2012-13 cash fund appropriation is \$4,954,818. The additional funds will be used to increase cooperator funding that the board has not been able to provide increases to for several years and fund new marketing, education and research projects. With more funding additional staff will be involved with the University as they expand corn related research on their Innovation Campus.

Continued

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Agriculture Promotion Coordinator	.75	1.0	34,200	46,525
Staff Assistant I	.75	1.0	21,550	29,300
Benefits.....			19,550	26,600
Operating.....			924,700	2,147,575
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			1,000,000	2,250,000