PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 23, 2022 402-471-0059

LB 881

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	FY 20	23-24				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$1,085,000)		(\$1,671,000)			
CASH FUNDS		(\$38,000)		(\$68,000)			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$1,123,000)		(\$1,739,000)			

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

LB 881 provides for a sales and use tax exemption, and sets requirements for detention facilities.

LB 881 defines feminine hygiene products and grooming and hygiene products. Additionally, the bill would exempt the gross receipts on the sale, storage, use, or consumption of such products from sales and use taxes.

LB 881 also defines detention facilities, and requires such facilities to provide feminine hygiene products to any female prisoner free of charge.

The operative date of the bill is October 1, 2022.

The Department of Revenue estimates the impact as follows:

	Conoral Fund	State Highway Capital	Highway Allocation Fund
	General Fund	Improvement Fund	Allocation Fund
FY22-23	(\$1,085,000)	(\$38,000)	(\$7,000)
FY23-24	(\$1,671,000)	(\$68,000)	(\$12,000)
FY24-25	(\$1,716,000)	(\$69,000)	(\$12,000)
FY25-26	(\$1,763,000)	(\$71,000)	(\$13,000)

There will be a revenue loss to the State Highway Capital Improvement Fund and the Highway Allocation Fund, which is distributed to cities and counties.

The department estimates no costs to implement the bill. The Nebraska Department of Correctional Services estimates no fiscal impact due to LB 881, as the department already provides feminine hygiene products free of charge.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 881 AM: AGENCY/POLT. SUB: Department of Correctional Services						
REVIEWED	BY: Neil Sullivan	DATE: 1/18/2022	PHONE: (402) 471-4179			
COMMENTS: The Department of Correctional Services assessment of no fiscal impact from LB 881 appears reasonable.						

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

LB: 881 AM: AGENCY/POLT. SUB: Department of Revenue

REVIEWED BY: Neil Sullivan DATE: 2/22/2022 PHONE: (402) 471-4179

COMMENTS: The Department of Revenue assessment of fiscal impact from LB 881 appears reasonable.

TOTAL.....

LB (1) 881				FISCAL NOTE				
State Agency OR Political Subdivision Name: (2	Nebraska Department of Correctional Services							
Prepared by: (3) Lisa Stanton	Date Prepared: (4)	01/11/2022	Phone: (5)	(402)479-5702				
ESTIMATE PRO	VIDED BY STATE AGEN	NCY OR POLITICA	L SUBDIVIS	ION				
\mathbf{F}	Y 2022-23		FY 2023	<u>-24</u>				
EXPENDITURE	<u>REVENUE</u>	EXPENDIT	<u>URES</u>	REVENUE				
GENERAL FUNDS	_							
CASH FUNDS	_	_						
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS								
Explanation of Estimate:								
Explanation of Estimate.								
NDCS estimates no fiscal impact as a	result of LB881.							
BREAKDO	OWN BY MAJOR OBJECT	TS OF EXPENDITU	<u>JRE</u>					
Personal Services:								
POSITION TITLE	NUMBER OF POSITION <u>22-23</u> <u>23-24</u>	S 2022-23 <u>EXPENDIT</u>		2023-24 EXPENDITURES				
Benefits		<u>-</u>						
Operating								
Travel								
Capital outlay								
Aid								
Capital improvements								

LB 881 Fiscal Note 2022

State Agency Estimate							
State Agency Name: Department of Revenue Date Due LFO:							
Approved by: Tony Fulton		Date Prepared:	2/22/2022 Phone: 471-5896				
	FY 2022	2-2023	FY 2023-2024		FY 202	4-2025	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$ (1,085,000)		\$ (1,671,000)		\$ (1,716,000)	
Cash Funds		\$(38,000)		\$(68,000)		\$(69,000)	
Federal Funds							
Other Funds		\$(7,000)		\$(12,000)		\$(12,000)	
Total Funds		\$ (1,130,000)		\$ (1,751,000)		\$ (1,798,000)	

LB 881 creates a sale and use tax exemption for "feminine hygiene products" as defined by the bill. These products include tampons, panty liners, menstrual cups, sanitary napkins, and other similar tangible personal property designed for feminine hygiene in connection with the human menstrual cycle but does not include grooming and hygiene products. The bill defines "grooming and hygiene products" as well. In addition, LB 881 require detention facilities to provide feminine hygiene products to female prisoners free of charge.

LB 881 will have the following impact on the General Fund revenues, cash funds and other funds:

Fiscal Year	General Fund	State Highway Capital Improvement Fund	Highway Allocation Fund	Total	
FY 2022-23	\$ (1,085,000)	\$ (38,000)	\$ (7,000)	\$ (1,130,000)	
FY 2023-24	\$ (1,671,000)	\$ (68,000)	\$ (12,000)	\$ (1,751,000)	
FY 2024-25	\$ (1,716,000)	\$ (69,000)	\$ (12,000)	\$ (1,798,000)	
FY 2025-26	\$ (1,763,000)	\$ (71,000)	\$ (13,000)	\$ (1,847,000)	

It is estimated that there will be no costs to the Department of Revenue to implement this bill.

The operative date for this bill is October 1, 2022.

Major Objects of Expenditure											
Class Code	Classification Title	22-23 <u>FTE</u>	23-24 <u>FTE</u>	24-25 <u>FTE</u>	22-23 Expenditures	23-24 Expenditures	24-25 Expenditures				
Capital Outlay											
Capital Improvemen	nts										
T-4-1											

TOTAL.....

LB (1)	881								FISCAL N	1OLE
State Ag	gency OR F	Political	Subdivision Name:	Nebras	Nebraska Department of Transportation					
Prepare	ed by: ⁽³⁾	Jenes	sa Boynton	Date 1	Prepare	d: (4) 2/22/	2022	Phone:	(5) 402-479-46	91
			ESTIMATE PRO	OVIDED BY S	STATE A	AGENCY O	R POLITI	CAL SUBDI	VISION	
			EXPENDITUR	<u>FY 2022-23</u> <u>ES</u> I	REVENU	J <u>E</u>	EXPEND		<u>023-24</u> <u>REVENU</u>	<u>JE</u>
GENE	RAL FUN	DS								
CASH I	FUNDS				\$(38,00	0)			\$(68,000	0)
	RAL FUNI	26		_	φ(00,00	<u> </u>				<u> </u>
		<i>)</i> 3			Φ/7.000					
OTHE	R FUNDS		-		\$(7,000	0)			\$(12,000	
TOTAL	L FUNDS				\$(45,00	0)			\$(80,000	0)
Octobe	er 1, 2022	4.		Revenue to Build	d Nebrask	a Act Funds				
				FY2022/23		FY2023/24	FY2	024/25	FY2025/26	
			ovement Fund	\$(38,00		\$(68,000		\$(69,000)	\$(71,000)	
	ay Allocation	r Fund (ci	ties and counties)	\$ (7,00		\$(12,000		\$(12,000)	\$(13,000)	
Total				\$(45,00	00)	\$(80,000))	\$(81,000)	\$(84,000)	
the sal Improv above.	les tax ba vement F	ase will und for	divert revenue NDOT and the	from the Buil	ld Nebra	aska Act fu Fund for c	inds, the cities and	State Highv counties as	nue. The reductivay Capital is identified in the	
Persona	al Services	S:		NIIMPED OI	E DOCIT	CIONC	2024		2022 2	
	POSITION TITLE		22-23	NUMBER OF POSITIONS 22-23 23-24		2022-23 <u>EXPENDITURES</u>		2023-24 EXPENDITURES		
Benefit	s									
Operati	ing									
Travel.										
Capital	outlay									
Aid										
Capital	improven	nents								