

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	12,500	2,574,552	2,075,000	2,574,552
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	12,500	2,574,552	2,075,000	2,574,552

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

This bill would increase liquor taxes and adopt the Citizen Safety Grant Fund Program Act. The bill has the emergency clause. The Citizen Safety Grant Fund is created by this bill. The fund revenues consist of the increase in the alcoholic liquor taxes proposed by this bill: five cents per gallon on beer, three cents per gallon on wine not produced in farm wineries, and seven cents per gallon on spirits.

The program will provide grants to assist eligible organizations in addressing violent crime. Eligible organizations are defined as the Nebraska State Patrol, a county sheriff's department, or a city police department. Grants shall be awarded beginning September 1, 2010. The Crime Commission is to administer this act.

The Liquor Control Commission estimates the increase in the alcoholic liquor taxes as follows:

Type	Annual
Beer	2,304,084
Wine	76,809
Spirits	193,659
Total	2,574,552

The Liquor Control Commission notes that this estimate is based on 2008 consumption and assumes consumption will remain constant.

The Crime Commission estimates the following administrative costs associated with this bill:

ITEMS	FY2009-2010	FY2010-2011	FY2009-2010	FY2010-2011
	Number of Positions		Expenditures	
Federal Aid Administrator II	0.17	1.00	6,200	37,000
Benefits			3,000	18,000
Operating			3,300	15,000
Travel			0	5,000
Aid			0	2,000,000
Total	0.17	1.00	12,500	2,075,000

The Crime Commission states that they would need to add the FTE to administer the program, and the start date is assumed to be May 1, 2010. The Crime Commission's governing board would be used to award the grant funds starting on September 1, 2010.

IMPACT ON POLITICAL SUBDIVISIONS: Eligible organizations include a county sheriff's department and a city police department. Such departments would be eligible to receive additional funds to use in addressing violent crime. The amount of this additional funding is not known at this time, but would be some portion of the \$2 million estimated by the Crime Commission in FY2011.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/26/09	PHONE	471-2526
<p>COMMENTS</p> <p>CRIME COMMISSION: Depending on the rules and regulations to be promulgated by the Crime Commission, there is some question of whether the grant program would necessitate the administrative costs envisioned.</p> <p>LIQUOR CONTROL COMMISSION: The bill increases the rate of tax on beer, wine and spirits and allocates the increased tax revenue to the Citizen Safety Grant Fund rather than to the General Fund. The agency calculations appear reasonable. This would not represent a reduction to General Fund revenues.</p>					