

msd

PREPARED BY: Doug Nichols
DATE PREPARED: February 8, 2011
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LB 19

Revision: 1

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated to include the Department of Revenue's response.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(See Below)		(See Below)
CASH FUNDS		See Below		See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

This bill would prohibit the use of certain drug substances as prescribed. The bill has the emergency clause.

The Department of Revenue states that the substances included in this bill are currently subject to the sales tax, but the revenue reduction is estimated to be minimal. These substances do not appear widely available, and they do not appear to have other industrial or commercial uses. It appears that LB19 would add these substances to the list of drugs subject to the marijuana and controlled substances tax.

The Attorney General and the Department of Correctional Services both estimate no fiscal impact.

The Supreme Court estimates the following impact from this bill:

Cash fund expenditures in Supreme Court budget Program 420- State Specialized Court Operations may increase if referrals to drug courts increase from persons arrested for the drug related offenses contained in LB 19. Court caseloads which can have an expenditure impact may also be affected. General and cash fund revenue could also increase from court filings and probation fees. Both expenditure and revenue impacts cannot be estimated at this time since the number of offenses is unknown.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	DATE	2/8/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF REVENUE: No basis to dispute Department of Revenue analysis.					

LB 19

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Fiscal Note 2011

State Agency Estimate

State Agency Name: Department of Revenue

Approved by: Douglas Ewald

Date Prepared: 1/31/2011

Date Due LFA: 1/31/2011

Phone: 471-5700

	FY 2011-2012		FY 2012-2013		FY 2013-2014	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		(See Below)		(See Below)		(See Below)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		(See Below)		(See Below)		(See Below)

LB 19 adds the following synthetically produced cannabinoids to the list of Schedule I controlled substances under the Uniform Controlled Substances Act as listed under Neb. Rev. Stat. 28-405: Tetrahydrocannabinols; Naphthoylindoles; Naphthylmethylindoles; Naphthoylpyrroles; Naphthylideneindenes; Phenylacetylindoles; Cyclohexylphenols; Benzoylindoles. Included in this list is the substance commonly known as "K-2."

LB 19 provides that the penalties for possessing, manufacturing or distributing the listed synthetically produced cannabinoids under this bill, will be the same as the possession, manufacturing or distribution of marijuana.

Given that these substances are considered tangible personal property and are subject to the sales tax, this bill is expected to have a minimal General Fund impact. These substances do not appear to be widely available, and they do not appear to have other industrial or commercial uses. It appears that LB 19 would add these substances to the list of drugs subject to the marijuana and controlled substances tax.

Departmental costs to administer this bill are minimal.

Major Objects of Expenditure

Class Code	Classification Title	11-12	12-13	13-14	11-12	12-13	13-14
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
	Benefits.....						
	Operating Costs.....						
	Travel.....						
	Capital Outlay.....						
	Aid.....						
	Capital Improvements.....						
	Total.....						