

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2016-17		FY 2017-18	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(1,500,000)		(2,000,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(1,500,000)		(2,000,000)

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

LB 672 would eliminate the \$1 fee assessed upon the sale of every new tire sold at retail in the state and each tire of new motor vehicles, trailers or semitrailers sold at retail in the state. The fee would terminate on July 1, 2017. Revenue from the \$1 per tire fee is deposited in the Waste Reduction and Recycling Incentive Fund in the Department of Environmental Quality (DEQ.) There is no basis to disagree with the DEQ estimate that there would be a \$1,500,000 revenue loss in FY16-17 and a \$2,000,000 revenue loss in FY17-18.

Because LB 672 does not remove the requirement that \$1,500,000 in scrap tire grants be awarded through June 30, 2019, the remaining funding sources for the Waste Reduction and Recycling Incentive Fund and the existing fund balance would be used to pay the scrap tire grants. It is estimated that expenditures from the fund would not change in the near term due to the use of the fund balance, but that expenditures after FY17-18 due to a diminished fund balance and lower total revenues.

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2016

LB⁽¹⁾ 672

FISCAL NOTE

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

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	<u>-1,500,000</u>	_____	<u>-2,000,000</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 672 is a proposal that eliminates the collection of a \$1.00 per tire fee on any new tires purchased at retail in this state after October 1, 2016. For fiscal year 2015, the total new tire fees collected was \$2,124,388. The impact of LB 672 would eliminate the fees used for scrap tire grants beginning October 1, 2016, while continuing to require \$1,500,000 in scrap tire grants be awarded until June 30, 2019 (See §81-15,160(3)). Therefore, \$1,300,000 of annual disposal fee collections plus \$500,000 of annual business fee collections would be used to fund the scrap tire grants awarded in 2017, 2018 and 2019. Other eligible waste reduction grant projects may not be funded due to the lack of tire fee revenue.

The Waste Reduction and Recycling Incentive Fund provides grants to assist in financing sound integrated waste management programs and projects, as well as administrative dollars to manage the fund and grants. There are three sources of revenue for the Waste Reduction and Recycling Incentive Fund: 1) A \$1.00 per tire fee on the retail sale of new tires in NE, which generates about \$2.0 million annually, 2) A business fee on sales of tangible personal property, which generates about \$500,000 annually, and 3) Fifty percent of the \$1.25 per ton disposal fee on solid waste disposed of in permitted landfills, which generates approximately \$1.3 million annually.

The fiscal numbers provided only show the impact on the scrap tire fee revenue to the Waste Reduction and Recycling Incentive Cash Fund.

There would be no reduction in FTE due to this amendment.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____