PREPARED BY: DATE PREPARED: PHONE: Doug Nichols August 4, 2020 402-471-0052

LB 1064

Revision: 01

FISCAL NOTE

Updated for amendments adopted through August 3, 2020.

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)									
	FY 202	20-21	FY 2021-22						
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE					
GENERAL FUNDS									
CASH FUNDS									
FEDERAL FUNDS									
OTHER FUNDS									
TOTAL FUNDS									

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

This bill, as amended by AM3062, AM3175, and AM3161, would change provisions relating to the sale and use of tobacco products. The bill has the emergency clause, and it becomes operative on October 1, 2020.

The bill, as amended, has a minimum to no fiscal impact. The following narrative explains the bill, the amendments, and any potential impact to political subdivisions.

AM3062 changed the operative date of the bill from "June" to "October".

The bill increases the age from 19 to 21 to use tobacco. The penalty is a Class V misdemeanor (\$100 fine).

Whoever sells tobacco to someone under 21 is guilty of a Class III misdemeanor: Maximum — three months imprisonment, or five hundred dollars fine, or both: Minimum — none.

Because this bill increases the age from 19 to 21 for tobacco-related activity, it is possible more persons may violate the provisions of the bill. Therefore, this bill could impact county jails. Misdemeanor sentences are generally served in county jails if jail time is imposed. If the impact of this bill is to increase the number of people serving time in county jails by more than current law, this could result in additional costs to counties.

Misdemeanor penalties under this bill also carry the possibility of a fine being imposed. Any fines assessed pursuant to convictions will accrue to the county where the violation occurs to be used for the support of public schools.

In the introduced copy of LB1064, the Department of Revenue estimated that this bill will have a minimal negative impact on General Fund revenues and there will be no cost for the department to implement the bill, and additionally the Nebraska State Patrol and the Department of Health and Human Services estimated no fiscal impact.

AM3161 is LB322, as amended by AM2082 (adopted), and AM2134 (filed but not adopted).

AM3161 would change provisions relating to enforcement of certain tobacco restriction provisions. It establishes a uniform process for tobacco compliance checks to be performed for the purpose of deterring licensees from providing nicotine products to persons under eighteen years of age. It provides that persons ages 15 to 18 may assist law enforcement in conducting a compliance check with written consent of a parent or guardian.

The Supreme Court, the Department of Health and Human Services, and the State Patrol all estimated no fiscal impact from LB322, as amended. To see the agency responses, see the fiscal note for LB322, as amended (Revision: 02). The DAS Comments are also on this copy of the fiscal note.

The bill was also amended by AM3228. This AM stated that until January 1, 2022, a tobacco specialty store may allow an employee who is nineteen or twenty years of age to work in the store. This does not appear to have a fiscal impact.

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

LB: 1064 AM: AGENCY/POLT. SUB: Nebraska Department of Revenue (016)

REVIEWED BY: Joe Wilcox DATE: 1/30/2020 PHONE: (402) 471-4178

COMMENTS: No basis to dispute the Nebraska Department of Revenue estimate of "Minimal" negative Impact to the State General Fund Receipts and No fiscal impact to the Agency from LB 1064.

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

LB: 1064 AM: AGENCY/POLT. SUB: Department of Health and Human Services (025)

REVIEWED BY: Joe Wilcox DATE: 01/28/2020 PHONE: (402) 471-4178

COMMENTS: No basis to dispute the Department of Health and Human Services (DHHS) estimate of No Fiscal Impact to the Agency from LB 1064.

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

LB: 1064 AM: AGENCY/POLT. SUB: Nebraska State Patrol (064)

REVIEWED BY: Joe Wilcox DATE: 1/31/2020 PHONE: (402) 471-4178

COMMENTS: Concur with the Nebraska State Patrol estimate of No Fiscal impact to the Agency from LB 1064.

LB 1064 Fiscal Note 2020

State Agency Estimate							
Revenue			Ι	Date Due LFA:			
	Date Prepare	ed:	Phone: 471-5896				
FY 2020	FY 2020-2021		1-2022	FY 2022-2023			
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
	Minimal		Minimal	ĺ	Minimal		
	Minimal		Minimal		Minimal		
	FY 2020	Revenue Date Prepare FY 2020-2021 Expenditures Minimal	Revenue Date Prepared: FY 2020-2021 Expenditures Revenue Minimal Expenditures	Date Prepared: FY 2020-2021 Expenditures Revenue Expenditures Revenue Minimal Minimal Minimal	Revenue Date Due LFA: Date Prepared: Phone: 471-5896 FY 2020-2021 FY 2021-2022 FY 2022 Expenditures Revenue Expenditures Revenue Expenditures Minimal Minimal		

LB 1064 changes the legal age to purchase, possess, and consume tobacco products from nineteen to twenty-one years of age. This is achieved by amending Neb. Rev. Stat. § 28-1418, § 28-1418.01, § 28-1419, § 28-1424, § 28-1425, and § 28-1427.

It is estimated that this bill will have minimal negative impact on General Fund revenues.

It is estimated that there will be no cost to the Department to implement this bill.

This bill contains an emergency clause and becomes law upon enactment.

Major Objects of Expenditure									
Class Code	Classification Title	20-21 <u>FTE</u>	21-22 <u>FTE</u>	22-23 <u>FTE</u>	20-21 Expenditures	21-22 Expenditures	22-23 Expenditures		
Benefits	Benefits								
Operating Costs									
Travel									
Capital Outlay									
	Capital Outlay								

LB₍₁₎ 1064 FISCAL NOTE 2020

	ESTIMATE PROVID	DED BY STATE AGENCY OR	POLITICAL S	UBDIVISION	
State Agency or Political Sul					
Prepared by: (3) Mike Michalski	Date Prepar	red 1-22-2020		Phone:	(5) 471-6719
	•				•
	FY 2020-			FY 2021-2022	_
_	EXPENDITURES	REVENUE	EXPE	NDITURES	REVENUE
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					_
OTHER FUNDS					
TOTAL FUNDS	\$0	\$0		\$0	\$0
_			-		
Return by date specified or 72 ho	ours prior to public hearing, v	vhichever is earlier.			
Explanation of Estimate):				
·					
There is no fiscal impac	t to the Department	of Health and Human	Services.		
PERSONAL SERVICES:	MA	AJOR OBJECTS OF EXPENDIT	URE		
PERSONAL SERVICES:		NUMBER OF	POSITIONS	2020-2021	2021-2022
PC	OSITION TITLE	20-21	21-22	EXPENDITURES	EXPENDITURES
Benefits					
Operating					_
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL				\$0	\$0

$LB^{(1)}$	1064							FISCAL NOTE
State Ag	gency OR I	Political S	ubdivision Name: ⁽²	Nebra	ska State Pa	atrol		
Prepare	ed by: (3)	Carol /	Aversman	Dat	e Prepared: ⁽⁴⁾	1/29/2020	Phone:	(5)
]	ESTIMATE PROV	VIDED BY	STATE AGEN	ICY OR POLIT	ICAL SUBDIV	/ISION
			EXPENDITURE	<u> </u>	REVENUE	EXPENI	<u>FY 20</u> DITURES	<u>21-22</u> <u>REVENUE</u>
GENEF	RAL FUN	DS				<u> </u>		
CASH I	FUNDS							
FEDER	AL FUNI	DS						
ОТНЕН	R FUNDS							
TOTAI	L FUNDS			_		· -		
Explana	tion of E	stimate:		_				
_								
No Fis	cal Impa	act.						
			BREAKDO	WN BY M	AJOR OBJECT	S OF EXPEND	ITURE	
Persona	al Services	S:		JUMBER	OF POSITIONS	S 909	0-21	2021-22
	POSIT	ION TIT		<u>20-21</u>	<u>21-22</u>		<u>DITURES</u>	EXPENDITURES
					_			
					_	<u> </u>		
Benefit	s							
Operati	ng							
Travel.								
Capital	outlay							
Aid								
Capital	improven	nents						
TO	ΓAL							