

Revised to include agency response.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB 1200 would change the name of the Livestock Brand Act to the Livestock Identification Act and would change the name of the Nebraska Brand Committee to the Livestock Identification Agency. A number of fees and charges currently assessed under the act would be modified, and new charges would be established. The revisions in LB 1200 include the following:

Addition of a research fee on new brands to be recorded: A research fee not to exceed \$50 would be established for new brands recorded by the agency. In FY19-20, \$65,000 in revenue was received from new brand registration fees, which is currently assessed at \$100. It is estimated that the research fee could raise approximately \$32,500 per year if it is assessed at the \$50 level. This revenue would be in addition to the existing new brand registration fee, which would not be amended under LB 1200.

Increased research fee for documents: The research fee for acquiring documents from the agency would be increased from \$20 to \$40 per hour. It is estimated that the research fee would raise revenue, but it would be minimal in context to the total agency funding. It would also vary annually, based upon the number of requests received.

Increased brand renewal fee: LB 1200 raises brand renewal fee from \$50 to a maximum of \$250. The FY19-20 revenue from the \$50 renewal fee was \$343,000. The amount of additional revenue will depend upon the level of the fee established by the agency, up to the \$250 maximum.

Inspection request notification and fee: LB 1200 adds a requirement that 48 hour notification be given to the agency by individuals requesting a physical inspection. If the 48 hour notification is not provided, a \$50 fee would be assessed. Because the agency does not currently have a statutory provision requiring a 48 hour notice, there is no basis to determine the level of compliance or noncompliance with this provision. If there is a high level of compliance with the 48 hour notice requirement, it would allow the agency to better predict the use of field inspectors, which could decrease the amount of overtime or intermittent inspector expenses. The \$50 noncompliance fee would provide some reimbursement of overtime or intermittent inspector expenses, but would not entirely offset those costs.

Physical and electronic identification: LB 1200 would allow physical inspections to be carried out by an agency representative, or electronic inspections could be carried out using electronic identifiers. Electronic inspections would not require an agency representative to be present. The electronic identification methods would need to be enrolled with the agency. The maximum per head fee for physical and electronic inspections would remain at the current level of \$1.10. It is not known how frequently electronic inspections will be used in the near term. Increased use of electronic inspections could decrease expenditures for agency staff time and travel costs. It is also possible that the agency could assess a lower per head fee for electronic inspections, thereby lowering total revenue. It is estimated that current level of revenue from the inspection fee, which is estimated at \$3,600,000 to \$3,800,000, would not change appreciably in the two years addressed in this fiscal note.

Mileage charges: LB 1200 would eliminate the current travel surcharge with an authorization to charge mileage costs. The total surcharge revenue in FY19-20 was \$209,000. The change in revenue from the existing surcharge to mileage expenses is not known at this time.

Grow yards: Grow yards are defined in LB 1200 as a feedlot that grows cattle before the cattle enter a finishing feedlot. A grow yard enrollment fee not to exceed \$50 would be charged by the agency. Because this fee is not currently established in law, there is no history or exact information available to assess the potential revenue impact.

Registered feedlot fees: Registered feedlot fees would be revised to \$500 for the initial registration fee and \$250 for the renewal fee. This would be a significant reduction from the current fee, which is based on a per-head average. The estimated revenue from the

current feedlot registration fee is estimated at approximately \$950,000 per year. LB 1200 would also require that the agency carry out feedlot audits a minimum of four times per year to a maximum of twelve times per year, at an unspecified audit fee. Because the audit fee is not established in LB 1200, it is not possible to estimate the cumulative revenue impact of lower registration fees combined with revenue realized from audit fees.

Fees for administrative charges incurred in estray investigations – LB 1200 would allow the agency to charge for administrative expenses related to estray investigations. The budget for the Investigations Division is currently approximately \$350,000. Depending upon the way that the agency assesses administrative costs, \$50,000 to \$100,000 in revenue could be realized from this fee.

In summary, based upon the uncertainty regarding the impact of some fee changes, it is not possible to determine if the agency would need a change in the current spending authority, which is set at \$5,794,231 for FY19-20.

Please complete ALL (5) blanks in the first three lines.

2020

LB⁽¹⁾ 1200

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ # 039 Nebraska Brand Committee

Prepared by: ⁽³⁾ John Widdowson
Rebekah Vineyard Date Prepared: ⁽⁴⁾ 2/14/2020 Phone: ⁽⁵⁾ 308-390-5697

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$5,713,873.00</u>	<u>\$6,332,666.00</u>	<u>\$5,828,151.00</u>	<u>\$6,459,319</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Estimate is based on requested fee structure changes for 2020-2021 & 2021-2022. Reflects a 2% increase in fees, expenses, revenue and mileage each year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
PSL- Full Time Employees	<u>60</u>	<u>60</u>	<u>\$3,299,820.00</u>	<u>\$3,365,817.00</u>
PSL- Intermittent	<u>30</u>	<u>30</u>	<u>\$414,996.00</u>	<u>\$423,296.00</u>
Benefits.....			<u>\$1,061,957.00</u>	<u>\$1,083,196.00</u>
Operating.....			<u>\$426,031.00</u>	<u>\$434,552.00</u>
Travel.....			<u>\$511,069.00</u>	<u>\$521,290.00</u>
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			_____	_____