

Revised to include Department of Agriculture response

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$72,250		\$74,650	
CASH FUNDS	\$12,000	\$4,389,000	\$12,000	\$6,650,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$84,250</b>	<b>\$4,389,000</b>	<b>\$86,650</b>	<b>\$6,650,000</b>

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

LB262 clarifies and combines terms within the Pure Food Act. No fiscal impact.

**AM719**

Amends provisions of the Grain Dealer Act and the Grain Warehouse Act. Section 3 allows the Public Service Commission to set the amount of securities required for grain dealers. The amount shall not be less than thirty-five thousand dollars and not more than one million dollars. Additionally, the bill refines the term “Grain” for the Grain Dealer Act and the Grain Warehouse Act. Requires grain warehouse licensees to post a schedule of rates and charges at warehouses.

**AM3042**

AM3042 amends definitions under the Nebraska Agricultural Products Marketing Act. No fiscal impact.

**AM2654**

AM2654 makes the following amendments to the Corn Resources Act:

- Describes the nine members of the Corn Board as:
  - o Eight being appointed by the Governor from districts described in the act and one at-large member;
  - o Allows for the Corn Board to provide recommendations to the Agricultural Committee of the Legislature for potential changes of each district make-up;
  - o Increases the reimbursement for members from \$25/day to \$50/day;
  - o Decreases the amount of the Corn Board’s budget allowed to be expended to influence federal legislation from 25% to 10%;
- Makes the following changes to the corn fee:
  - o Until and on 9/30/2024, one half-cent per bushel;
  - o Beginning 10/1/2024 one cent per bushel;
  - o Clarifies the first purchaser under the act.

The Corn Board will require \$12,000 in cash fund appropriation to accommodate the increase in per diems. We estimate \$4,389,000 in revenues to the Corn Board’s cash fund in FY2024-25 and \$6,650,000 in 2025-26.

**AM3015**

AM3015 Makes the following amendments to the Hemp Farming Act:

- Amends and creates definitions;
- Amends current restrictions and creates new restrictions on the cultivation, possession, handling, transportation, processing, use, or consumption of hemp;
- Terminates provisions of the Hemp Farming Act relating to duties to the Nebraska Department of Agriculture and allows for USDA licensing and regulation;
- Terminates the Hemp Program Fund and transfers any money in the fund to the Noxious Weed Cash Fund;
- Terminates the Hemp Promotion fund and transfers the balance into the Noxious Weed Cash Fund; and
- Amends the definition of Cultivator or processor-handler transporting hemp. Cash fund effect of this amendment will be neutral.

**AM2997**

Amends provisions of the Nebraska Milk Act and Pure Food Act relating to milk distributor definitions, private home definitions, and food production in private homes for sale. As this is separate from the inspection section of the Pure Food Act and would be responsive to complaints, we concur with the Department of Agriculture's General Fund cost estimate.

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

LB: 262	AM: 719, 2654, 3015, 2997, 3042	AGENCY/POLT. SUB: Department of Agriculture
REVIEWED BY: Jacob Leaver	DATE: 3/19/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Department of Agriculture's estimated fiscal impact as a result of LB 262.		

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

LB: 262	AM: 719, 2654, 3015, 2997, 3042	AGENCY/POLT. SUB: Corn Board
REVIEWED BY: Jacob Leaver	DATE: 3/20/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Corn Board's estimated fiscal impact to the agency. The Corn Board has sufficient appropriation to accommodate this increase in revenue.		

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

**2024**

**LB**<sup>(1)</sup> 262 AM3042, AM2997, AM3015, AM2654, ER 84, AM2020

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Agriculture

Prepared by: <sup>(3)</sup> Ashley Dempsey Date Prepared: <sup>(4)</sup> 3/19/24 Phone: <sup>(5)</sup> 402-429-2487

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$72,250</u>	<u>                    </u>	<u>\$74,650</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL FUNDS</b>	<u><u>\$72,250</u></u>	<u><u>                    </u></u>	<u><u>\$74,650</u></u>	<u><u>                    </u></u>

**Explanation of Estimate:**

AM2997 broadens exemptions for certain operations from the definition of a food establishment in the Nebraska Pure Food Act. The department anticipates receiving a significant increase in public inquiries regarding whether specific operations are required to obtain a food permit and complaints related to operations not complying with the exemption requirements.

A 1.0 FTE Agriculture Program Specialist would be responsible for facilitating administrative responses to the public inquiries and complaints. The position will also manage existing administrative duties related to registrations and requirements for all home based "Cottage Food" operations.

A limited number of current licensees will no longer be required to pay fees for permits or inspections. There is expected to be a loss in revenue that is unknown at this time. The Food Program is funded 50% General fund and 50% Cash Funds as the intent is Consumer Protection and Regulatory in nature, however since there will be no fees generated by AM2997, the funding for this amendment is identified as 100% General Funds. The Pure Food Cash Fund is unable to absorb any costs.

AM3015 removes all duties under the Nebraska Hemp Farming Act for the Department. Funds available in the Hemp Program Cash Fund will be transferred to the Noxious Weed Cash Fund which supported the initial implementation costs of the Hemp Program.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Agriculture Program Specialist	<u>1.0</u>	<u>1.0</u>	<u>\$47,250</u>	<u>\$49,650</u>
Benefits.....			<u>\$20,000</u>	<u>\$20,000</u>
Operating.....			<u>\$5,000</u>	<u>\$5,000</u>
Travel.....			<u>                    </u>	<u>                    </u>
Capital outlay.....			<u>                    </u>	<u>                    </u>
Aid.....			<u>                    </u>	<u>                    </u>
Capital improvements.....			<u>                    </u>	<u>                    </u>
<b>TOTAL.....</b>			<u><u>\$72,250</u></u>	<u><u>\$74,650</u></u>

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**2024**

**LB<sup>(1)</sup> 262** w/ AM3042, AM2997, AM3015, AM2654, ER84 & AM2020

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Corn Board

Prepared by: <sup>(3)</sup> Kelly Brunkhorst Date Prepared: <sup>(4)</sup> 3/19/2024 Phone: <sup>(5)</sup> 402-471-2676

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$2,000,000	\$4,389,000	\$4,500,000	\$6,650,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$2,000,000</u>	<u>\$4,389,000</u>	<u>\$4,500,000</u>	<u>\$6,650,000</u>

**Explanation of Estimate:**

LB262 as amended, increases the corn check-off assessment from 0.005 to 0.01 cents per bushel beginning October 1, 2024. It also increases the compensation to board members while performing official duties from 25 to 50 dollars per day.

The board's current FY2023-24 budget is projected to generate \$6,650,000 in check-off revenue based on 8.9 million acres harvested at 160 bushel/acre. Check-off is reported on a quarterly basis creating a lag between when the fee increases to when the revenue is received in the cash fund. This is the basis for approximately two-thirds of the increased revenue being collected in FY2024-25.

The Corn Board's FY2024-25 cash fund appropriation is \$10,008,075. The additional funds will be used to expand domestic and international market development, research on input efficiency, assist in agricultural education expansion, and partner on collaborations of expansion within Nebraska's Golden Triangle – focusing on the livestock and biofuels industries.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Board Member Per Diems			\$12,000	\$12,000
Benefits.....				
Operating.....			\$1,988,000	\$4,488,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<u>\$2,000,000</u>	<u>\$4,500,000</u>