

Revised to reflect AM1314, an amendment to AM827

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$250,000	(\$200,000)	\$250,000	
CASH FUNDS	\$206,000	\$200,000	\$6,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$456,000		\$256,000	

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

LB565 as amended by AM827 contains portions of LB565, LB567, LB568, and LB723 as amended by the Natural Resources Committee

LB723 creates the Public Water and Natural Resources Project Contract Act which grants powers and requires the Nebraska Department of Natural Resources to create guidelines for entering into-design-build contracts, progressive design-build contracts, or a construction manager-general contractor contract.

LB565 amends the Nebraska Hydrogen Hub Industry Group to declare findings and declares intent to appropriate \$250,000 of General Funds each fiscal year to the Department of Economic Development to award as grants to a public power district to support the public power district in competing for one of the United States Department of Energy’s regional clean hydrogen hub designations.

LB567 changes provisions related to eligibility to serve as a board member for public power and irrigation districts and provides a definition for “reliable or reliability” in section 70-1001 as it relates to electric suppliers.

LB568 creates the Nuclear and Hydrogen Development Act. The act directs the Nebraska Department of Economic Development to create the Nuclear and Hydrogen Industry Work Group, sets criteria for the group, sets directives for the group, creates the Nuclear and Hydrogen Development Act Fund and transfers \$200,000 from the General Fund to the fund, and creates a termination date.

AM1314 adds the following bills, LB286, LB425, LB395, LB217, and LB400 (as amended by AM878).

LB217 extends the sunset for the Waste Reduction and Recycling Incentive Fund from June 30, 2024 to June 30, 2029. No other changes. As the grant will continuing operating in its current form, no fiscal impact is anticipated.

LB289 creates additional powers for public agencies. These additional powers would primarily affect public agencies within municipalities. No fiscal impact.

LB 395 changes the amount of compensation members of the Nebraska Oil and Gas Conservation Commission receive.

Currently members receive an amount “not more than four hundred dollars” per day for each day actually devoted to the business of the commission. LB 395 changes that amount to “the sum of five hundred dollars”.

In addition, the amount shall be adjusted on July 1, 2025 and each July 1 of each odd-numbered year thereafter by the percentage change in the Consumer Price Index (CPI) for Urban Wage Earners and Clerical Workers for the two-year period preceding the date of adjustment.

The Oil and Gas Conservation Commission estimates an additional annual cost of \$6,000 per year to address the increase in compensation. This is based on the number of meetings per year and the marginal increase per meeting. There is no basis to disagree with the Oil and Gas Conservation Commission’s estimates. As amended, this legislation will be effective in September 2023, nearly a full fiscal year.

LB425 increases the maximum fee amounts that the Nebraska Game and Parks Commission (NGPC) can charge for nonresident annual permits, one to three-day permits, and multi-year permits for hunting, fishing, and combination hunt/fish permits. LB425 also raises the maximum cap for nonresident permits. In addition, this allows NGPC to place limits on the nonresident permits during special deer, antelope, and elk depredation seasons. Next, LB425 adds elk to the species that may be hunted in game refuges. Then, this bill exempts an auction mountain sheep permit from counting against the lifetime limit of one mountain sheep permit. Furthermore, LB425 increases the area of a county that may be utilized for controlled shooting areas from 2% to not more than 5% of the county. Finally, this bill increases the quorum from four members of the Nebraska Game and Parks Commission to five members required at public meetings.

The Nebraska Game and Parks Commission (NGPC) had indicated that increasing the capped amount which permits cannot go above, does not cause a fiscal impact without the NGPC actually increasing the fees. However, for the purposes of showing what the potential fiscal impact of LB425 could be, the agency performed calculations utilizing the maximum allowable increases which would be available should LB425 pass.

NGPC has stated that under this scenario, in most cases this would be an increase of 18% in calendar year 2025 (for which only the first 6 months would be in FY2024-25). NGPC used a 50% assumption, that only 50% of the potential revenue for the variety of nonresident annual permits, one to three-day permits, and multi-year permits for hunting, fishing, and combination hunt/fish permits in FY2024-25 would be realized as revenue FY2024-25. In addition, the Spring Turkey permits sold in early 2024 would be in FY2023-24. The chart provided by NGPC of their potential impact of LB425 is on NGPC's attached fiscal note. The agency utilized sales figures from their 2021 calendar year permit sales. NGPC has indicated a potential cash fund increase in revenue of \$389,250 in FY2023-24 and a cash fund increase in revenue of \$818,348 in FY2024-25. However, as these revenue numbers are based on the high-end of the cap fees, and with the number who would buy these permits at this high-price really indeterminate, these numbers are not showing in the boxes above (only the narrative).

LB400 as amended allows:

- 1) For any private landowner or tenant to destroy any predator preying on livestock or suspected of causing other damage on land owned or controlled by such person. For purposes of this subsection, predator means a badger, bobcat, coyote, gray fox, long-tailed weasel, mink, opossum, raccoon, red fox, or skunk;
- 2) For any private landowner or tenant or agent of such person to kill a mountain lion immediately without prior notice or permission from the commission if such person or agent encounters a mountain lion and the mountain lion is in the process of stalking, killing, or consuming livestock on such person's property. Such private landowner or tenant or agency shall be responsible for immediately notifying the commission and arranging with the commission to transfer the mountain lion to the commission.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 565	AM: 827	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Neil Sullivan	DATE: 4/14/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 565 as amended by AM 827 appears reasonable except that a corresponding cash revenue impact should be shown for the transfer and the transfer would likely occur in FY23.		

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2023

LB⁽¹⁾ 565 AM827

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Economic Development

Prepared by: ⁽³⁾ Dave Dearthmont Date Prepared: ⁽⁴⁾ 4/6/2023 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$250,000</u>	<u>(\$200,000)</u>	<u>\$250,000</u>	<u></u>
CASH FUNDS	<u>100,000</u>	<u></u>	<u>100,000</u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$350,000</u>	<u>(\$200,000)</u>	<u>\$350,000</u>	<u></u>

Explanation of Estimate:

LB565, as amended by AM827, would create the Public Water and Natural Resources Project Contracting Act, which would create responsibilities for the Department of Natural Resources; and amends Section 66-2301, and create the Nuclear and Hydrogen Development Act, creating responsibilities for the Department of Economic Development (DED).

The bill as amended includes intent language to appropriate \$250,000 in FY2023-24 and FY2024-25 from the General Fund to DED for the purpose of providing grants to any public power district that serve a majority of the counties in Nebraska. The grants are for modeling and engineering work in preparation to compete to be designated as a regional clean hydrogen hub by the U.S. Department of Energy.

As amended, the bill also creates the Nuclear and Hydrogen Development Act. This would require DED to create a twelve-member Nuclear and Hydrogen Industry Work Group. The working group is tasked with making recommendations to DED regarding workforce training needs of the nuclear and hydrogen industries and to provide an opportunity for these industries to collaborate with community and state colleges to develop education training courses. Members of the working group may receive per diems and travel and lodging reimbursements limited to \$1,000 per person per year. In addition, the bill as amended, creates a new cash fund called the Nuclear and Hydrogen Development Fund, and transfers \$200,000 from the General Fund to the new cash fund. This is assumed to happen on or after July 3, 2023. The fund terminates on July 31, 2028, and any remaining funds are transferred to the General Fund on that date.

DED would be required to award and monitor grants for the modeling and engineering work and expenses for the hydrogen hub program, and grants to community and state colleges to implement training education programs for the Nuclear and Hydrogen Industry Work Group. We estimate that this will require approximately 185 hours per year. DED expects to contract with a vendor to develop the grant applications and administer the grants and administer the expenses for both programs. Estimated administration costs for the bill as amended by fund source are included in the table below.

	<u>Hydrogen Hub</u>		<u>Nuclear & Hydrogen Fund</u>	
	<u>General Fund</u>		<u>Cash Fund</u>	
	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>FY2023-24</u>	<u>FY2024-25</u>
Operating Expenses	14,100	11,900	21,350	19,150
Travel			7,200	7,200
Aid	235,900	238,100	71,450	73,650
Total	250,000	250,000	100,000	100,000

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2023-24	2024-25
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating (Vendor contracts).....			\$35,460	\$31,060
Travel.....			7,200	7,200
Capital outlay.....				
Aid.....			307,340	311,740
Capital improvements.....				
TOTAL.....			\$350,000	\$350,000

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2023

LB⁽¹⁾ 565 AM 1314 Public Water & Natural Resource Project Contracting Act, and Nuclear and Hydrogen Development Act

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Game and Parks Commission

Prepared by: ⁽³⁾ Kay Mencil Date Prepared: ⁽⁴⁾ APRIL 20, 2023 Phone: ⁽⁵⁾ 402-471-5189

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	<u>\$389,250.00</u>	_____	<u>818,347.75</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate:

The proposed legislation as amended addresses new programs for Department of Economic Development and Department of Natural Resources in regards to water, nuclear and hydrogen projects.

With Amendment 1314, sections 22-32 specifically address an increase to the maximum amount the Nebraska Game and Parks Commission could charge for several nonresident permit types. Each section will be touched upon with a summary or chart of the affected permits and the potential fiscal impact.

Section 22 codifies the quorum of five members required for the transaction of business at a public meeting.

Section 23 addresses increasing the maximum permit cap fees that may be charged for nonresident annual, short-term (1-3 day) and multi-year hunting, fishing, combination hunt/fish permits. The maximum capped fees for nonresident permits are increased. The accompanying chart summarizes the changes.

Section 24 addresses increasing the maximum permit cap fees that may be charged for nonresident deer permits. The maximum fee for a nonresident deer permit is increased. The accompanying chart summarizes the changes.

Section 25 Special depredation seasons (deer, antelope, elk), clarifies limitation on nonresident permits.

Section 26 addresses increasing the maximum permit cap fees that may be charged for nonresident antelope permits. The maximum fee for a nonresident antelope permit is increased. The accompanying chart summarizes the changes.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Section 27 excepts an auction mountain sheep permit from the once in a lifetime limited mountain sheep permit.

Section 28 codifies the group hunt application from a maximum of two applications to not more than six in one application.

Section 29 addresses increasing the maximum permit cap fees that may be charged for nonresident turkey permits. The maximum fee for a nonresident turkey permit is increased. The accompanying chart summarizes the changes.

Section 30 codifies the increase for game breeding and controlled shooting areas in any one county to not exceed five percent of the total acreage of the county in which the area sought to be licensed.

Section 31 authorizes any private landowner or tenant to destroy specific predators causing damage on land under their control. Also, private landowners, tenants, or their agents may kill a mountain lion if endangering livestock on their property.

Section 32 codifies the inclusion of elk to species that can be hunted in the Garden County refuge.

Fiscal Impact

The increasing of the permit fee ‘caps’ does not in and of itself cause a fiscal impact without Commission action. For fiscal note purposes it will be projected that the maximum allowable increase could be enacted, which in most cases would be 18% in 2025 CY. The actual realization of revenues would cross fiscal years with FY25/26 being the first year to realize a full year’s impact. For simplicity it will be estimated that only 50% of the revenue increase will be realized in FY24/25 and Spring Turkey permits in FY23/24.

The accompanying chart provides the ‘maximum’ scenario of implementing increases under the proposed legislation for illustrative purposes only. Actual fees are typically set at even dollars or quarter dollar increments, even and half dollars will be used as the ‘likely’ scenario. For purposes of this fiscal note, sales figures of 2021 will be used as the basis of predictions.

Utilizing 2021 calendar year permit sales and the estimated likely fee rate, FY24/25 could result in an additional \$818,347.75 in revenue while FY25/26 would experience the full effect with an estimated 1,636,695.50.

Section	PERMIT	Current CAP	LB425 CAP	% change	2021 CY Price	18% rounded	2021 CY Sales	2021 CY \$ Sales	Potential Increase 2025 CY Rev 18%	18% Revenue Increase
HUNTING PERMIT (37-407)										
	2 Nonresident Annual	\$ 106.00	\$ 138.00	30%	\$ 106.00	\$ 125.00	11280	\$ 1,195,680.00	\$ 1,410,000.00	\$ 214,320.00
	2 Nonresident 2-day	\$ 73.00	\$ 95.00	30%	\$ 73.00	\$ 86.00	3677	\$ 268,421.00	\$ 316,222.00	\$ 47,801.00
									\$ -	\$ -
FISHING PERMIT (37-407)										
	2 Nonresident Annual	\$ 66.00	\$ 86.00	30%	\$ 66.00	\$ 77.50	7796	\$ 514,536.00	\$ 604,190.00	\$ 89,654.00
	2 Nonresident 1-DAY	\$ 12.00	\$ 15.00	25%	\$ 11.50	\$ 13.50	19926	\$ 229,149.00	\$ 269,001.00	\$ 39,852.00
	2 Nonresident 3-DAY	\$ 22.00	\$ 29.00	32%	\$ 19.00	\$ 22.00	10030	\$ 190,570.00	\$ 220,660.00	\$ 30,090.00
									\$ -	\$ -
COMBINATION HUNT & FISH (37-407)										
	2 Nonresident Annual	\$ 159.00	\$ 207.00	30%	\$ 159.00	\$ 187.50	1010	\$ 160,590.00	\$ 189,375.00	\$ 28,785.00
									\$ -	\$ -
TURKEY (37-457)										
	8 Nonresident Spring Turkey	\$ 126.00	\$ 164.00	30%	\$ 125.00	\$ 147.50	17300	\$ 2,162,500.00	\$ 2,551,750.00	\$ 389,250.00
	8 Nonresident Fall Turkey	\$ 126.00	\$ 164.00	30%	\$ 125.00	\$ 147.50	533	\$ 66,625.00	\$ 78,617.50	\$ 11,992.50
									\$ -	\$ -
ANTELOPE (37-449)										
	5 Nonresident	\$ 198.00	\$ 257.00	30%	\$ 198.00	\$ 233.50	296	\$ 58,608.00	\$ 69,116.00	\$ 10,508.00
									\$ -	\$ -
DEER (37-447)										
	3 Nonresident	\$ 284.00	\$ 369.00	30%	\$ 282.00	\$ 332.50	15142	\$ 4,270,044.00	\$ 5,034,715.00	\$ 764,671.00
	3 Nonresident Season Choice Anterless Only	\$ 284.00	\$ 369.00	30%	\$ 79.00	\$ 93.00	698	\$ 55,142.00	\$ 64,914.00	\$ 9,772.00
									\$ -	\$ -
	Potential increase in Revenue at the max of 18%									\$ 1,636,695.50
								FY24/25	50% of sale	\$ 818,347.75
								FY23/24		\$ 389,250.00