

Must

PREPARED BY: Scott Danigole  
DATE PREPARED: February 07, 2011  
PHONE: 471-0055

**LB 578**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$500,000		\$500,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$500,000		\$500,000	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 578 requires a person seeking to operate a pipeline to transport crude oil or any other hazardous liquid in the State of Nebraska to provide proof of financial responsibility with the Public Service Commission.

The PSC is responsible for determining the amount of the financial responsibility required by considering conditions specified by the Commission, the probable difficulty of completing the requirements of laws, rules, or regulations, conditions due to factors such as topography, geology of the site, hydrology, and the prior history of environmental activities of the operator.

The PSC estimates the impact of the bill's provisions to be \$500,000 per year. This is largely due to the areas of expertise required to fulfill the bill's requirements and the current lack of such expertise at the agency. The PSC would have to perform the required analysis on a contractual basis. Such levels of expertise will likely be costly. There is no basis to disagree with the estimate.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	2/7/11	PHONE 471-2526
COMMENTS			
PUBLIC SERVICE COMMISSION – Expenditures overlap with LB 629 and LB 340. I have no basis to disagree with PSC's statement.			

# FISCAL NOTE LB578 Public Service Commission

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LEGISLATIVE FISCAL

Prepared By	Burvainis, John
Date Prepared	2/2/2011
Prepared Phone	402-471-0240

### Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	500,000		500,000	
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	500,000		500,000	

#### Explanation of Estimate:

The proposed bill would require a pipeline to provide proof of financial responsibility to accomplish the necessary corrective action or cleanup on real or personal property caused by releases of material from the pipeline. The Commission is to determine the amount of the financial responsibility required by considering conditions specified by the Commission, the probable difficulty of completing the requirements of laws, rules, or regulations, conditions due to factors such as topography, geology of the site, and hydrology, and the prior history of environmental activities of the operator. To perform the analysis, the Commission would enter into contracts with consultants and our estimate is \$500,000 to provide the necessary expertise to comply with the provisions of the bill.

#### Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits		
		Operating	500,000	500,000
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total	500,000	500,000