

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS		(\$430,000)		(\$569,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$430,000)		(\$569,000)

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

LB 789 repeals the marijuana and controlled substances tax and strikes references in other sections of statute.

The following sections are outright repealed:

- 77-4301 Terms, defined.
- 77-4302 Possession by dealer; payment of tax required.
- 77-4303 Imposition of tax; rates.
- 77-4304 Stamps, labels, or other indicia; purchase; Tax Commissioner; duties.
- 77-4305 Tax; due and payable; when.
- 77-4306 Stamps, labels, or other indicia; affixed; when.
- 77-4307 Tax Commissioner; rules and regulations.
- 77-4308 Sections, how construed.
- 77-4309 Dealer; violations; penalties; statute of limitations.
- 77-4310 Tax Commissioner; assessment and collection of tax and penalties; duties.
- 77-4310.01 Tax proceeds; distribution.
- 77-4310.02 Overpayment of tax; Tax Commissioner; powers and duties; stamps; nonreturnable.
- 77-4310.03 Marijuana and Controlled Substances Tax Administration Cash Fund; created; use; investment.
- 77-4311 Tax determination; notice; requirements; jeopardy determination; effect.
- 77-4312 Jeopardy determination; petition for redetermination; procedure; deficiency; interest; seized property; sale; when; procedure; return of property; conditions; injunction; Tax Commissioner; powers.
- 77-4313 Injunction; suit prohibited.
- 77-4314 Tax and penalties; presumption; admissibility of evidence.
- 77-4315 Report; confidential; information; inadmissibility of evidence.
- 77-4316 Tax Commissioner; powers; subpoena; enforcement.

Section 28-1439.02 is amended to strike the distribution of marijuana tax proceeds to the County Drug Law Enforcement and Education Fund.

The Department of Revenue estimates the following fiscal impact of LB 789:

Fiscal Year:	Nebraska State Patrol Drug Control and Education Fund:	County Drug Law Enforcement and Education Fund:	Marijuana and Controlled Substances Administration Cash Fund:	Total Cash Funds:
2018-19:	(\$ 204,000)	(\$ 204,000)	(\$ 22,000)	(\$ 430,000)
2019-20:	(\$ 270,000)	(\$ 270,000)	(\$ 29,000)	(\$ 569,000)
2020-21:	(\$ 297,000)	(\$ 297,000)	(\$ 31,000)	(\$ 625,000)

The Department of Revenue indicates minimal costs to implement the provisions of LB 789.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact and cost.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 789	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Lyn Heaton	DATE: 1/23/2018	PHONE: (402) 471-4181
COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis.		

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

2018

LB⁽¹⁾ 789

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Patrol

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 1-15-2018 Phone: ⁽⁵⁾ _____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$110,000		\$110,000	
CASH FUNDS		(\$175,000)		(\$175,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$110,000</u>	<u>(\$175,000)</u>	<u>\$110,000</u>	<u>(\$175,000)</u>

Explanation of Estimate:

LB 789 requires the repeal of future drug tax stamp deposits in the Nebraska State Patrol Drug Control and Education Cash Fund. Over the course of the last 18 months (7/1/16 – 12/3/17), deposits into the fund have averaged approximately \$14,000-\$15,000 per month. This repeal will result in decreased revenues totaling an estimated \$175,000 per year to the State Patrol. This fund has historically been used to purchase Crime Lab equipment used in drug testing, for equipment used in drug investigations, and for drug education purposes. During FY 17, approximately \$110,000 was spent from this fund by the Agency. A reduction in the drug tax stamp revenues would result in these expenses being required to be paid with General Funds.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			\$10,000	\$10,000
Travel.....				
Capital outlay.....			\$100,000	\$100,000
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$110,000</u>	<u>\$110,000</u>