

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,427,043		\$4,381,891	\$5,306,000
CASH FUNDS			\$442,752	\$22,901,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,427,043		\$4,824,643	\$28,207,500

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

LB 546 would create the Marijuana Control Act and Marijuana Conviction Clean Slate Act. The fiscal note will be broken down into the following sections:

- Regulating individual possession and use of marijuana;
- Nebraska Marijuana Enforcement Commission creation and duties;
- Licensing cultivation, transportation, and sale of marijuana and marijuana related products;
- State agencies impacted;
- Marijuana Control Fund creation, remittances, and revenue projections;
- Local governments; and
- Creation of the Marijuana Conviction Clean Slate Act.

Individual Possession

LB 546 would allow individuals 21 years or older to:

- Possess, process, transport, purchase, obtain, or give away up to one ounce of marijuana without compensation;
- Possess, grow, cultivate, harvest, dry, or process marijuana plants with restrictions on number, size, and maturity of the plants;
- Smoke, ingest, or otherwise consume marijuana; and
- Possess, transport, purchase, obtain, use, manufacture, or give away marijuana accessories to persons 21 years of age or older without compensation.

LB546 mandates that marijuana use be restricted to private residences. Individual plants must be out of public view and under lock, and no more than six plants can be in possession with half of those being immature plants. The criminal violation penalty structure ranges from Class V misdemeanor to Class IIA felony, depending on offense number and quantity possessed.

The punishment scale for violating the individual possession and individual sale of marijuana ranges from infractions not to exceed \$300 to Class II felony.

Nebraska Marijuana Enforcement Commission

LB546 would create the Nebraska Marijuana Enforcement Commission for the purpose of regulating and controlling the licensing of the cultivation, manufacture, distribution, and sale of marijuana in the state. The commission shall consist of three commissioners appointed by the Tax Commissioner on or before November 1, 2021. The terms shall be four years. The commission shall have a chairperson who presides over official activities and the commission shall appoint an executive director who will track all official acts and communications of the commission. The commission may expend for investigators and clerical staff. The commission may, with approval of the Tax Commissioner, employ a chief investigator. Commissioners are to be bonded or insured as required by section 11-201, as are all employees of the commission. The premium is to be paid by the General Fund. Commissioners are barred from receiving gifts from the marijuana industry, officers, or agents and barred from working for the marijuana industry for six months after their last day of employment.

Commissioner salary is not to exceed \$12,500. The commissioners are to be reimbursed for expenses incurred, including office furniture and other incidentals. No travel or mileage reimbursement expenses are allowed. Meetings shall be at least once a month.

On or before September 1, 2022 the commission shall adopt and promulgate rules and regulations necessary for the proper regulation and control of the cultivation, manufacture, distribution, sale, and testing of marijuana.

On or before December 1, 2021 the commission shall convene a group to make recommendations for rules and regulations on how edible marijuana products can be clearly identifiable and to indicate that they are not for child consumption. The commission shall provide a copy of the Marijuana Control Act to any licensee who requests it without charge and may charge a fee to any other person upon request with the intent to cover cost of production and distribution. The commission may request the State Fire Marshal to inspect any licensed premises, the Fire Marshal may assess a fee for the inspection or delegate to a local authority.

On or before January 1, 2024, and annually thereafter, the commission shall publish a report of its activities including licenses, enforcement actions, and a statement of revenues and expenses.

The commission may conduct a hearing of its own motion or complaint, providing written notice and issue penalties. Penalties are: Censure, probation, limitation, civil penalty, suspension for up to six months, seizure of marijuana that is the subject of any violation, or revocation. No civil penalty can exceed \$20,000. Civil penalties shall be remitted to the State Treasurer.

Using the fiscal note for the creation of Colorado's Marijuana Enforcement Commission, we estimate that a total of four employees will be necessary to hire for the first year: Two administrative assistants, one attorney, and one investigator. We anticipate initial costs for the Commission, including initial office equipment and commissioning a study, to be \$694,563 for FY21-22 and \$442,751 for FY22-23. It is likely that the Commission will have to increase rapidly increase its staff as the Commission grows, however the timing and specific staff needs are not known at this time.

Impact on State Agencies

The Department of Economic Development shall provide assistance to social equity applicants in preparing and obtaining licenses. We assume that this will require the hiring of a business consultant for this biennium with potential for additional consultants in the future. We estimate costs to be \$93,370 for FY22 and \$115,540 for FY23. We believe this estimate to be reasonable.

The Tax Commissioner or Marijuana Enforcement Commission may request the Attorney General designate an assistant attorney general. The compensation for the assistant attorney general will come from the office of the Attorney General. The Attorney General's office estimates costs of \$107,300 for FY22 and \$109,028 for FY23. We concur.

The State Fire Marshal anticipates no significant impact as a result of this legislation.

LB546 classifies possession of over 12 ounces of marijuana as a Class IIIA felony, as the Department of Corrections has noted the 21 persons jailed solely on marijuana charges had over one pound of marijuana. Any impact on the prison population as a result of LB546 is expected to be minimal.

10% of excise taxes collected from the sale of marijuana is remitted to DHHS for drug education and treatment programs, however this legislation does not specify any cash fund for these funds to be remitted to. Without clarity in LB546, DHHS cannot estimate any impact on the agency.

State Courts estimate that new IT systems would be required at approximately \$300,000 and two new personnel for \$156,200. Revenues cannot be determined at this time. We have no reason to dispute their estimate.

The Nebraska State Patrol estimates expenditures of \$4,359,839 for FY21-22 and of \$5,451,968 for FY22-23. While we agree that the State Patrol will incur significant expenses, we disagree with the State Patrol's estimates. For Colorado the total number of marijuana arrests decreased by 56% between 2012 and 2017. Marijuana sales arrests decreased by 17%, while arrests for marijuana production increased by 51%. Applying the sales data from Colorado we estimate that the decrease to the Drug Control and Education Cash Fund will be approximately \$34,000 per year rather than \$150,993. Combined with fee revenues, the State Patrol could earn \$56,500 per year under LB546. LB546 creates a system for certifying marijuana testing facilities, negating the capital outlays for lab equipment for testing for the State Patrol. The State Patrol estimates 18 FTE will be required to implement the Clean Slate aspects of this legislation, however this would be undergone by the State Courts and can be removed from their estimate. Removing capital investment for labs, personnel for labs, capital investment for records keeping related to the Clean Slate act and personnel related to the Clean Slate act we estimate costs to be \$75,610 for FY21-22 and \$3,944,623 for FY22-23. It is reasonable to assume that costs could be reduced further as a result of enforcement shifting roles rather than new enforcement being created.

The Department of Agriculture, the Parole Board, and the Crime Commission estimate no fiscal impact as a result of LB546.

The Department of Revenue was not able to provide an estimate of fiscal impact due to time constraints. This fiscal note will be revised pending their response.

Licensing for cultivation, transportation, testing, and sale of marijuana and marijuana related products

An application for all licenses must include:

- The name, address and length of Nebraska residence for applicant;
- The premises for the desired license;
- The name and owner of the premises;
- Statement that they are a Nebraska resident, at least 21 years of age, and has not plead guilty or *nolo contendere* to a disqualifying offense;
- That the applicant will carry out the business on their own and not on behalf of another person or business;
- The applicant intends to superintend the business in-person;
- If the applicant is a social equity applicant, information to establish eligibility;
- Two sets of legible fingerprints through the Nebraska State Patrol to be remitted to the FBI; and
- Plans and specifications for the interior of any building(s) on the premises.

The licensing fee structure is as follows:

Initial fees			
Type of license	Application fee	Initial issuance fee	Total due
Marijuana store	\$5,000	\$2,000	\$7,000
Cultivator	\$5,000	\$1,500	\$6,500
Products manufacturer	\$5,000	\$1,500	\$6,500
Testing facility	\$1,000	\$1,500	\$2,500
Transporter	\$1,000	\$4,000	\$5,400
Renewal fees			
Type of license	Application fee	Initial issuance fee	Total due
Marijuana store	\$300	\$1,500	\$1,800
Cultivator	\$300	\$1,500	\$1,800
Products manufacturer	\$300	\$1,500	\$1,800
Testing facility	\$300	\$1,500	\$1,800
Transporter	\$300	\$1,500	\$1,800

Beginning 1/1/25 and every 5th year thereafter, the commission shall adjust the upper fee limit. Until 1/1/24 the commission may raise the fees if it determines higher fees are necessary to carry out the commission's responsibilities. The commission shall waive 50% of all fees for a social equity applicant or applicants with less than a total of \$750,000 in income in the previous calendar year and has no more than two other licenses. 20% of all licenses shall be to social equity applicants. A license may be transferred following certain guidelines. LB546 outlines provisions for relocating a license, which incurs a \$1,000 fee.

Fees are remitted to the Treasurer and credited as follows: 50% to the Marijuana Control Fund and 50% to local governing bodies with jurisdiction over the licensees. We estimate in its first year the total fees collected could be up to \$1,263,000 with half going to political subdivisions.

90 days prior the expiration of a license the commission shall notify the licensee via first-class mail. A licensee who has lapsed for not more than 90 days may file a late renewal application to the commission with a fine of \$500.

A cultivator may apply for a centralized distributor permit with a \$20 fee. This allows for holding products from manufacturers for the purpose of transferring them the permit holder's marijuana store.

The Marijuana Control Commission will authorize testing facilities. Facilities must do the following:

- Determining accurately, with respect to marijuana:
 - The concentration of THC and cannabidiol;
 - The presence and identification of mold and fungus;
 - The composition; and
 - The presence of chemicals, including, but not limited to, pesticides, herbicides, or growth regulators; and
- Demonstrating the validity and accuracy of the methods used to test marijuana.

LB546 requires employees of marijuana stores, product manufacturers, transporters, and testing facilities be authorized by the commission. Initial employment authorization shall be accompanied by a nonrefundable \$100 fee and an annual renewal fee of \$75 per employee. Employees must undergo a criminal background check through the Nebraska State Patrol.

The commission must develop standards for training programs by January 1, 2023. A minimum of a two-hour program.

Marijuana Control Fund

The Marijuana Control Fund shall consist of all fees, gifts, grants, and other money, excluding fines and civil penalties, received or collected by the commission under the Marijuana Control Act. The fund shall be used for the administration and enforcement of the Marijuana Control Act. Transfers can be made to the General Fund by the Legislature.

There is levied and shall be collected an excise tax on the first sale or transfer of unprocessed marijuana by a marijuana cultivator to a products manufacturer, a marijuana store, an unaffiliated cultivator, or consumer. The tax shall be at a rate of 15% of:

- The average market rate of the unprocessed marijuana if the transaction is between affiliated licensees; or
- The contract price for unprocessed marijuana if the transaction is between unaffiliated licensees.

The excise tax will be in addition to all other occupation or privilege taxes imposed by the state or by any political subdivision of the state.

After collecting amounts necessary for the administration of the Marijuana Control Act, the remaining revenues shall be credited as follows:

- 10% to DHHS for drug education and treatment programs;
- 10% to the Affordable Housing Trust Fund; and
- 80% to the Property Tax Credit Cash Fund.

The fine and fee structure for LB546 is based on the Colorado bill HB13-1317 passed in 2013, with LB 546 having the same licensing and fee structure and the same excise and sales taxes on marijuana. Referencing their fiscal note, they estimated that for 2014 the revenue generated by the Marijuana tax in its first full year of implementation would be approximately \$11 million. In reality, the revenue for 2014 was \$67.5 million. Tax revenue for the most recent calendar year, 2020, shows \$387 million in tax revenue. Accounting for population, revenues in the first year of implementation of the Marijuana Control Act could reach \$22.275 million and reach revenues of \$127 million as the industry matures in the state. Nebraska’s tax revenues may not reach levels equal to Colorado revenues, however Colorado’s revenue numbers serve as a useful benchmark for this fiscal note.

LB546 allows for state sales tax to be collected on retail sales. While retailers retain the first \$3,000 remitted to the state each month it is reasonable to estimate that in the first year of the program approximately \$5 million will be remitted to the General Fund and up to \$25 million per annum as the program matures.

State Sales Tax Collected and Remittance Schedule		
	FY22-23	FY23-24
General Fund	\$5,306,694	\$10,106,866
State Highway Capital Improvement Fund	\$214,794	\$409,088
Highway Allocation Fund	\$37,904	\$72,192
TOTAL	\$5,559,394	\$10,588,166

CONTINUED

Sec. 85 states, "Nothing in the Marijuana Control Act shall be construed as delegating to the commission the power to fix prices for marijuana". However, the commission may establish limitation on marijuana cultivation by placing or modifying a limit on the issuance of licenses, placing or modifying a limit on the amount of production permitted by individual cultivators or by cultivators state-wide. The commission may limit the amount of inventory that a store may have on hand. There is an excise tax on the first sale or transfer of unprocessed marijuana by a marijuana cultivator to a products manufacturer, a marijuana store, or an unaffiliated cultivator. Sec. 126 states that when considering cultivator licenses the commission shall, "Consider the total current and anticipated demand for marijuana in Nebraska". As the excise tax is based on the market value of marijuana and the excise tax shall be credited to the Marijuana Control Cash Fund there may be an incentive to restrict supply to artificially inflate marijuana prices to collect higher excise taxes.

In Colorado, FY20-21 transfers out of the Marijuana Tax Cash Fund to the state General Fund totaled \$20 million which were used to fund a myriad of programs.

Local governments

If a local jurisdiction objects to a marijuana license being issued, it can protest the issuance of a license and the commission shall conduct a hearing. Local governments may revoke licenses, enter premises to determine if it's in violation of its license, invoke or impose sanctions resulting from a hearing, conduct hearings on the propriety of the issuance or renewal of a license. Any five residents of a jurisdiction can call a complaint if a licensee is violating statute, prompting a review by the local government that could lead to a hearing. Local governments are allowed to adopt stricter ordinances than the commission in regulating licenses.

Police departments have noted that this legislation will require a distinct class of enforcement to monitor licensees and will incur costs. We have no reason to dispute their findings.

Local governments will receive 50% of fee revenue from licensing, which will have a positive impact on their revenue.

Marijuana Conviction Clean Slate Act

Beginning June 1, 2022 a person shall automatically be eligible for clean slate relief if:

- The offense was committed on or before 1/1/2010;
- As of 6/1/2022, the person as completed the sentence for such offense; and
- As of 6/1/20200 such person has paid all court-ordered financial obligations related to such offense.

On or before June 1, 2022 the State Court Administrator shall identify all persons eligible for relief and notify the court of conviction or adjudication. The sunset date is 1/1/2027. A person convicted of, or adjudicated for, a qualified offense may petition the court for clean slate relief. The court may charge a filing fee in an amount not to exceed \$40. An order for clean slate relief shall nullify the conviction, remove all civil disabilities and disqualifications, notify the person in interest that such person should consult with an attorney regarding the effect of the law, if any, on the person's ability to possess a firearm. The State Court Administrator may adopt and promulgate rules and regulations as necessary to carry out the Marijuana Conviction Clean Slate Act.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 546	AM:	AGENCY/POLT. SUB: Nebraska Department of Economic Development	
REVIEWED BY: Claire Oglesby	DATE: 2/18/21	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with Nebraska Department of Economic Development's fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 546	AM:	AGENCY/POLT. SUB: Nebraska Attorney General	
REVIEWED BY: Claire Oglesby	DATE: 2/11/21	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with the Attorney General's fiscal note statement.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 546	AM:	AGENCY/POLT. SUB: State Fire Marshal
REVIEWED BY: Claire Oglesby	DATE: 2/11/21	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with State Fire Marshal's fiscal note statement.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 546	AM:	AGENCY/POLT. SUB: Nebraska Department of Correctional Services
REVIEWED BY: Claire Oglesby	DATE: 2/11/21	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with Department of Correctional Services' fiscal note statement.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 546	AM:	AGENCY/POLT. SUB: Department of Health and Human Services
REVIEWED BY: Claire Oglesby	DATE: 2/16/21	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with Department of Health and Human Services' fiscal note statement.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 546	AM:	AGENCY/POLT. SUB: Nebraska Supreme Court
REVIEWED BY: Claire Oglesby	DATE: 2/17/21	PHONE: (402) 471-4174
COMMENTS: No basis to disagree with Nebraska Supreme Court's fiscal statement.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 546	AM:	AGENCY/POLT. SUB: Nebraska State Patrol
REVIEWED BY: Claire Oglesby	DATE: 2/18/21	PHONE: (402) 471-4174
COMMENTS: Nebraska State Patrol's fiscal note statement appears reasonable based on the assumptions provided.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 546	AM:	AGENCY/POLT. SUB: Department of Agriculture	
REVIEWED BY: Claire Oglesby	DATE: 2/12/21	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with Department of Agriculture's fiscal note statement.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 546	AM:	AGENCY/POLT. SUB: Nebraska Board of Parole	
REVIEWED BY: Claire Oglesby	DATE: 2/11/21	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with Nebraska Board of Parole's fiscal note statement.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 546	AM:	AGENCY/POLT. SUB: Crime Commission	
REVIEWED BY: Claire Oglesby	DATE: 2/11/21	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with Crime Commission's statement of no fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 546	AM:	AGENCY/POLT. SUB: City of Omaha	
REVIEWED BY: Claire Oglesby	DATE: 2/12/21	PHONE: (402) 471-4174	
COMMENTS: There would not be a fiscal impact to the state. No basis to disagree with the City of Omaha's fiscal note statement that there may be increased cost for additional staff, lab testing, and a new database in order to enforce the provisions in LB546.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 546	AM:	AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY: Claire Oglesby	DATE: 2/12/21	PHONE: (402) 471-4174	
COMMENTS: No basis to disagree with Lancaster County's fiscal note.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 546	AM:	AGENCY/POLT. SUB: Lancaster County Sheriff's Office
REVIEWED BY: Claire Oglesby	DATE: 2/12/21	PHONE: (402) 471-4174
COMMENTS: There would not be a fiscal impact to the state. No basis to disagree with the Lancaster County Sheriff's fiscal note statement that they may need additional staff, vehicles in order to enforce the provisions in LB546.		

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2021

LB⁽¹⁾ 546

FISCAL NOTE

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

Prepared by: ⁽³⁾ Anthony Goins Date Prepared: ⁽⁴⁾ 2/12/2021 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$93,370</u>	<u></u>	<u>\$115,540</u>	<u></u>
CASH FUNDS	<u></u>	<u>(See Below)</u>	<u></u>	<u>(See Below)</u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$93,370</u>	<u>(See Below)</u>	<u>\$115,540</u>	<u>(See Below)</u>

Explanation of Estimate:

LB546 creates the Marijuana Control Act and the Marijuana Conviction Clean Slate Act, and amends a number of other statutes. DED’s responsibilities would fall under the Marijuana Control Act, and include assisting the newly created Nebraska Marijuana Enforcement in determining “Disproportionately impacted areas” of the state, and providing technical assistance and support to persons wishing to apply for licensing as “social equity applicants”.

The act contains five types of licenses: marijuana store, cultivator, products manufacturer, testing facility, and transporter, and 20% of all licenses granted by the commission are reserved for social equity applicants. Social equity applicants are defined as an applicant that meets one of the following: (1) At least 51% ownership and control by individuals who have resided for at least 5 of the preceding 10 years in a disproportionately impacted area; (2) At least 51% of ownership and control by individuals who have been arrested for, convicted of, or adjudicated for any offense eligible for relief under the Marijuana Conviction Clean Slate Act, or is a parent, legal guardian, child, spouse, or dependent of such an individual; (3) If the applicant will have at least 10 full-time employees, and at least 51% of these employees reside in a disproportionately impacted area, or meet the of definitions arrest, conviction, or adjudication, or relationship to such a person outlined in #2, above.

LB546 would result in new duties for DED, and providing technical support to social equity applicants as described in the bill would require the services of a Business Consultant in a field staff role. It is assumed that DED’s administration costs would be paid as part of the commission’s administration costs through a General Fund appropriation.

LB546 also provides that after the commission’s administration costs are deducted, 10% of the remaining excise tax collected under the act will be deposited in the Affordable Housing Trust Fund. DED has no estimate of the amount of this transfer. Depending upon the size of this transfer DED may require increased appropriation authority to distribute aid due to the additional funding, but would not likely need additional resources for the Affordable Housing program at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
A49310 Econ Dev. Bus Consultant	.75	1.00	\$44,570	\$60,910
Benefits.....			17,830	24,360
Operating...(Includes rent)			17,910	24,180
Travel.....			4,460	6,090
Capital outlay.....			8,600	0
Aid.....				
Capital improvements.....				
TOTAL.....			\$93,370	\$115,540

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2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Attorney General

Prepared by: ⁽³⁾ Josh Shasserre Date Prepared: ⁽⁴⁾ 1-29-21 Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>107,300.</u>	<u> </u>	<u>109,028.</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>
TOTAL FUNDS	<u>107,300.</u>	<u> </u>	<u>109,028.</u>	<u> </u>

Explanation of Estimate:

Section 75 of LB546 requires the designation of an assistant attorney general to provide legal services to the proposed Nebraska Marijuana Enforcement Commission at the direction of the Tax Commissioner. In consideration of the Nebraska Department of Justice's current caseloads and taking into account the subject matter expertise necessary to appropriately provide such legal services to the proposed Commission, the Nebraska Department of Justice would need to hire an additional Assistant Attorney General.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Assistant Attorney General	<u>1.0</u>	<u>1.0</u>	<u>75,000.</u>	<u>76,500.</u>
Benefits.....			<u>32,300.</u>	<u>32,528.</u>
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>107,300.</u>	<u>109,028.</u>

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2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Fire Marshal Agency

Prepared by: ⁽³⁾ Deb Hostetler Date Prepared: ⁽⁴⁾ 01/27/2021 Phone: ⁽⁵⁾ (402) 471-9479

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The Agency is unable to determine a fiscal impact as it is unknown how many facilities there will be or how they will be classified to determine if an inspection fee can be charged.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Department of Correctional Services

Prepared by: (3) Lisa Stanton Date Prepared: (4) 01/25/2021 Phone: (5) (402)479-5702

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 546 adopts the Marijuana Control Act and the Marijuana Conviction Clean Slate Act. The bill could reduce the number of persons in prison. The specific amount of impact is indeterminable.

Between 2017 and 2020, there were 278 admissions to NDCS that included a marijuana related offense. Over the past 4 years, there has been a steady decline in the number of admissions related to marijuana. Admissions for marijuana related offenses:

Received Year	Count of Admissions
2017	93
2018	73
2019	68
2020	44
Total	278

Among the individuals admitted with a marijuana related offense, 64 individuals had convictions related to marijuana possession. Possession of marijuana was the only conviction for 21 of the 64. All 21 were convicted for possession over 1lb of marijuana.

As of December 2020, the average daily prison population (ADP) was 145% of Design capacity. The FY20 per diem cost is \$27.89 for each inmate, or \$10,180 per year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____

Aid.....
Capital improvements.....
TOTAL.....

_____	_____
_____	_____
_____	_____
_____	_____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 2-16-2021

Phone: (5) 471-6719

	<u>FY 2021-2022</u>		<u>FY 2022-2023</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 546 creates a Marijuana Enforcement Commission and legalizes marijuana for persons over the age of 21. The bill also creates a marijuana fund from tax revenue and allocates 10% of taxes for drug education and treatment purposes.

The bill is not clear on tax rate, amount of tax revenues to be collected, and to whom such revenues will be appropriated. The bill creates the Nebraska Marijuana Enforcement Commission but is unclear on staffing or supporting the Commission. The extent of support and participation frequency of The Department of Health and Human Services (DHHS) employees is unknown. If DHHS is required to staff the Commission or provide more than occasional support, additional staffing and appropriations may be required to implement the bill.

Due to ambiguous language in the bill DHHS is not able to determine the fiscal impact.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2021-2022	2022-2023
	21-22	22-23	EXPENDITURES	EXPENDITURES
POSITION TITLE				
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....				

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

2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 2/16/2021 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	See Below		See Below	
CASH FUNDS		See Below		See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Following is an initial fiscal impact. Additional time is necessary to determine how LB546 would be implemented given current IT, court and administrative systems and procedures. A more in-depth fiscal note may be completed at a later time.

1. Significant investment in current and new IT systems would be required. Preliminary minimum estimate: \$300,000 General Funds
2. Additional personnel would also be required to determine clean slate eligibility. Preliminary minimum estimate: 2 FTE, \$156,200.
3. LB546 allows for a filing fee capped at \$40/petition. No estimate at this time of the fee amount since administrative costs have not been determined. No revenue estimate since it is not known how many petitions would be received.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2021

LB⁽¹⁾ 546

FISCAL NOTE

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

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 2/17/2021 Phone: ⁽⁵⁾

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$4,359,839		\$5,512,461	
CASH FUNDS			(\$60,493)	(\$60,493)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$4,359,839</u>		<u>\$5,451,968</u>	<u>(\$60,493)</u>

Explanation of Estimate:

LB 546 adopts the Marijuana Control Act and the Marijuana Conviction Clean Slate Act. The portion of the bill related to the Marijuana Control Act legalizes marijuana for individuals aged 21 years and above. The Marijuana Conviction Clean Slate Act provides for certain reliefs related to certain marijuana related convictions. The effects of this change will have multiple layers of impact to the Nebraska State Patrol. Areas impacted include (1) the State Patrol Crime Laboratory, (2) the Criminal Identification Division, (3) the direct law enforcement functions performed by the Agency’s sworn officers and some civilian employees supporting them, and (4) the revenues that the Agency receives from Drug Tax Stamp purchases that are deposited in the Drug Control and Education Cash Fund.

Impact to the Nebraska State Patrol Crime Laboratory

The Agency estimates that its Crime Lab will be impacted significantly and will have large increases in testing required. For example, hemp is legal in all circumstances, while marijuana will be legal for only those aged 21 years and above. This creates a situation where the market will be flooded with a substance (hemp) that is legal for all, but looks like another substance (marijuana) that is only legal for some. The only methodology available to differentiate between these substances is time consuming testing that will need to be performed by the Agency’s Crime Lab.

The bill also states that the weight of marijuana does not include any diluent. Therefore, full quantitative testing would be required for waxes, oils, and food products. The Crime Lab currently does not have a validated full quantitative procedure (exact concentration determination) for any marijuana/hemp-based substances. Additionally, a full quantitative procedure would be more time consuming than the current procedure used to test concentration of THC in plant material to determine whether it is above or below a decision limit.

In order to arrive at an estimate of the impact of the Marijuana Control Act, the NSP Crime Lab contacted both the Colorado Bureau of Investigation Crime Laboratory and the Washington State Patrol Crime Laboratory. Both of these states have had legalized marijuana in various forms for several years. This contact included discussions and an overview of the level of prosecution of offenses that occur in those states, the products that are being tested, and the type of testing, including quantitation, that is being performed at each of these labs. It is important to note that this does not provide a complete direct comparison for what may occur in Nebraska as a result of variations in laws and prosecutorial philosophy differences, as was evidenced by the discussions held with the Colorado and Washington laboratories.

Note that many of the counties in Nebraska have chosen to pursue vigorous prosecution of marijuana cases and have insisted on definitive differentiation of marijuana based on the legal definition. In the past, there has been no acceptance that anything other than concentration testing would suffice for prosecution. This is evidenced by the number of jurisdictions who are not pursuing cases consisting of waxes, oils, or edibles, because no concentration testing is currently available in the state. ‘

The Crime Lab estimates that there will be a very significant increase in the number of samples that will be required to be tested as a result of this Act. Additionally, there are many violations in LB 546 that appear to require

concentration testing to prosecute in Nebraska. Data and information support that concentration testing of plant material takes at least 4x as long as identification testing, and costs roughly 6x more. The Crime Lab anticipates that 5 additional forensic scientists will be needed for the testing of substances. The equipment needed for these scientists will include 5 Gas Chromatographs, 3 Gas Chromatographs/Mass Spectrometers, and the space needed to house the added personnel and equipment. Additionally, the Crime Lab anticipates an increase in driving under the influence submissions which will impact the Toxicology Section. The Crime Lab is currently the only laboratory providing toxicology services in Nebraska, so this impact will require additional resources in this section as well. An estimate of 2 additional forensic scientists in this section have been included in the fiscal note.

The equipment needed for these 2 scientists include 1 Immuno-Assay Screening instrument and 2 Gas Chromatographs/Mass Spectrometers, as well as space to house these added personnel and equipment. The Crime Lab also estimates that the increase in submissions will require 1 Forensic Technician to handle the increase in submissions of evidence and managing that evidence until they can be thoroughly tested. The fiscal note includes the cost of this added personnel, as well as the space needed for the increase in evidence storage needed and to house the employee.

Note that the current facility is at full capacity. Therefore, an addition to the facility has been included in the first year of the biennium at a cost of \$3,848,000. Although the effective date of the bill is assumed to be 9/1/22, the facility will need to begin construction in advance in FY 21/22 in order to be operational by the time the Act is effective. It is possible that the construction of the facility will extend beyond the first fiscal year, and possibly even beyond the biennium. Accordingly, funds that have not been expended related to the facility would need to be encumbered and/or allowed to be carried over into the subsequent fiscal years if the construction project is not completed within the first or even second year of the biennium.

As described above, multiple pieces of lab equipment will be required to be purchased in the second year of the biennium. The 5 Gas Chromatographs have been included in the Fiscal Note at a cost of \$175,000. The 5 Gas Chromatographs/Mass Spectrometers are reflected at a cost of \$600,000. The Immuno-Assay Screening Instrument has been included at a cost of \$70,000. Maintenance contracts for the additional lab equipment is estimated at an annual ongoing cost of \$94,560 beginning in the second year of the biennium. The cost to establish and furnish workstations and to set-up the additional laboratory space has been estimated at a cost of \$32,000 (\$4,000 in the FY 21/22, and \$28,000 in FY 22/23).

The salaries and benefits expenses related to the Forensic Scientist positions are reflected as beginning 7/1/22. The expenses related to the Forensic Technician are reflected as beginning 3/1/22. The Crime Lab estimates that the Technician will be needed approximately 6 months prior to the anticipated effective date of the Act, in order to train the employee and prepare for the required coordination with law enforcement and prosecutors regarding cannabis evidence acceptance limitations, anticipated testing services to be offered by the Crime Lab, the return of evidence not being tested, and referrals to other testing laboratories. Note that the Nebraska Marijuana Enforcement Commission is required to promulgate rules and regulations related to the Act by 9/1/22 (the assumed effective date of the Act).

Impact to the Nebraska State Patrol Criminal Identification Division

The Marijuana Control Act requires that individuals applying for an initial license under this act submit two sets of legible fingerprints to be furnished to the Federal Bureau of Investigation through the Nebraska State Patrol for a national criminal history record check. They are also required to submit the fee required for this record check made payable to the State Patrol. This same requirement also exists for an application for issuance of an employment authorization. Note that employment authorizations are required for employees or agents of a licensee to include: (a) any natural person who possesses, cultivates, manufactures, tests, dispenses, sells, transports, or delivers marijuana as permitted by privileges of a license; (b) any natural person who has access to the inventory tracking system or point-of-sale system of a licensee; and (c) any natural person with unescorted access to a limited access area. The State Patrol's Criminal Identification Division estimates that 2,000 such background checks on applicants would be required to be processed initially per year. This amount could grow over time. The fiscal note includes the costs associated with hiring one additional Staff Assistant I, and one Records Technician in order to handle this additional volume of processing. This also includes the costs to outfit these employees with supplies, computers, and workstations, as well as the FBI fees that would be charged to the Agency for each background check (\$13.25 per check for a total of \$26,500 in the second year of the biennium). The expenses for the Criminal Identification Division related to the Marijuana Control Act are reflected as beginning 7/1/22. Additional Revenues have also been reflected as fees are required to be paid by the applicants to the State Patrol at a cost of \$45.25 for each background check, totaling \$90,500 which will be deposited in the Nebraska State Patrol Cash Fund.

Under the Marijuana Conviction Clean Slate Act, beginning 6/1/22 individuals convicted of certain marijuana related crimes may automatically qualify for relief if certain requirements are met. Individuals may also petition for relief at

any time. This relief would entail that a criminal justice agency respond to a public inquiry in the same manner as if there were no criminal history record information, and such criminal history information shall not be disseminated except in the limited circumstances as identified and defined in the Act. The State Court Administrator shall identify all individuals eligible for Clean Slate relief and shall notify the court of conviction or adjudication, who then is required to issue orders for Clean Slate relief.

In order to implement and administer the requirements of the Marijuana Conviction Clean Slate Act, the Criminal Identification Division of the State Patrol estimates that a total of 18 full time positions would be required. The Act would require the Division to seal hundreds of thousands of records initially. It would also require the processing of potentially thousands of arrest records monthly, on an ongoing basis. Additionally, individuals may petition to have their records sealed, which the Division would then also be required to process on an ongoing basis. These three activities will dramatically increase the need for staffing due to the extreme amount of records that would be required to be flagged, processed and sealed. Additional team members will need to be added in a variety of areas of the Division. These include two Information Technology employees to further develop and automate computer systems to efficiently process this volume of requests. An AFIS team will be needed, consisting of one Records Technician and one Forensic Technician, to ensure arrest records are entered timely. Another team consisting of six Records Technicians will be required to seal and update records as requests are received. A fourth team consisting of six Staff Assistant I employees will be required to properly review and disseminate each request. Additionally, a Records Analysis Supervisor will be needed to supervise the technicians and assistants. Lastly, an Attorney will be required to review and advise on the dissemination of information in order to ensure compliance with the Act, as well as to provide guidance on firearms related questions. The fiscal note reflects the salaries, benefits, supplies, computers, and workstations needed for these 18 additional employees. A phased in approach has been reflected in the fiscal note to reflect the gradual increase of staff needed to accommodate the individual petition requests, and the automatic relief required for eligible individuals beginning on 6/1/2022. This phased in approach reflects the hiring of 50% of the additional staff by 12/31/21, with the remaining 50% being hired by 3/31/22. This phased-in approach ensures that the Agency will be fully staffed and functional when the automatic relief actions are required to be carried out. Note that the cost of constructing an office for the Attorney III has been included in this fiscal note at an estimated amount of \$12,000 as a Capital Improvement, as space does not currently exist for this employee. Costs have been included for the purchase of an AFIS Idemia Workstation at \$70,000 in the first year of the biennium. Costs are also included in the fiscal note for workstations and chairs for these employees at an estimated cost of \$36,000 and \$6,300, respectively. Other costs are also included are supplies and the leasing of computers.

Law Enforcement Functions

Based on statistics that exist in states where marijuana has been legalized, the Agency anticipates a significant increase in other criminal offenses. For example, after legalization of marijuana in 2013, the state of Colorado experienced 135% increase in traffic fatalities where the driver tested positive for marijuana use. Additionally, illegal black market activities have been shown to dramatically increase after legalization occurs. For example, the state of Oregon, has experienced a significant increase in the amount of marijuana produced in the state that is being diverted for sale on the black market, as opposed to going through the proper regulated channels. Accordingly, the Agency estimates that this uptick in crime will result in the need for 2 additional troopers in each of the 6 troop areas in Nebraska. It also estimates the need for 6 additional Drug Investigators, a Sergeant to oversee these Investigators, and 2 Crime Analysts to support drug investigations. A total of 21 additional personnel would be required for law enforcement purposes and functions. The fiscal note also reflects additional training costs and associated travel for the investigators (\$71,700), as well as for added in-service training (\$69,500) for all of the sworn staff in the Agency to ensure that all are properly trained on the changes resulting from the Marijuana Control Act. The fiscal note reflects certain equipment needs for these additional employees, including vehicles (\$567,074) for 19 sworn employees, radios and associated equipment (\$190,000) for 19 sworn employees, the purchase of mobile data computers (\$92,340), and in some cases workstations (\$27,000 for Investigators and Crime Analysts). The cost to operate vehicles (gasoline and maintenance) has also been added to the fiscal note (\$138,700) as operating expenses. Last, \$100,000 has been built into the fiscal note for the purposes of acquiring new police service dogs that will need to be properly trained in regards to illegal substances that do not include legalized marijuana. All expenses are reflected as beginning 7/1/22, in preparation for the effective date of the Act.

Drug Control and Education Cash Fund

The Agency is identified by statute as the recipient of a portion of the revenues collected by the Department of Revenue related to a tax on marijuana and controlled substances (Section 77-4303 Revised Statutes of Nebraska). It is also the recipient of restitution that has been paid, as ordered by the court in cases where such taxes have not been paid. The Agency estimates that 75% of the restitution collected and forwarded to the Agency is related to marijuana. These revenues are required to be deposited in the Drug Control and Education Cash Fund. Annual

revenues in recent years have been approximately \$200,000. The legalization of marijuana would result in a reduction in this revenue estimated at \$150,993. These funds have historically been used to purchase vehicles and equipment for drug investigators, to fund the salary of a forensic scientist, and to purchase crime lab equipment needed for drug investigations. The Fiscal note reflects the reduction in revenues to this cash fund beginning 7/1/22, and the corresponding increase in General Funds to cover these expenses (drug investigator vehicle purchases and crime lab equipment).

Note that the decrease in Cash Fund Revenues reflected in the table in the Fiscal Note is a combination of a decrease in Revenues to the Drug Control and Education Cash Fund in the amount of \$150,993, which is offset by an increase in fee revenues from background checks to the Nebraska State Patrol Cash Fund in the amount of \$90,500 (as described in the section above titled "Impact to the Nebraska State Patrol Criminal Identification Division"). These two amounts combined, results in a net decrease totaling \$60,493 as shown in the table.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2021-22	2022-23
	21-22	22-23	EXPENDITURES	EXPENDITURES
IT Business System Analyst	1	1	\$24,452	\$48,905
IT Applications Developer	1	1	\$27,325	\$54,650
Records Analysis Supervisor	1	1	\$22,908	\$45,816
Attorney III	1	1	\$23,431	\$93,723
Staff Assistant I	6	7	\$69,732	\$216,944
Records Technicians	7	8	\$93,883	\$214,590
Forensic Technicians	2	2	\$18,439	\$63,582
Forensic Scientist I		7		\$362,835
Investigative Sergeant		1		\$84,872
Investigative Officers		6		\$446,959
Crime Analyst		2		\$80,658
Nebraska State Patrol Troopers		12		\$613,267
Benefits.....			\$98,059	\$848,733
Operating.....			\$5,310	\$350,500
Travel.....				\$71,700
Capital outlay.....			\$116,300	\$1,854,234
Aid.....				
Capital improvements.....			\$3,860,000	
TOTAL.....			\$4,359,839	\$5,451,968

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

2021

LB⁽¹⁾ 546

FISCAL NOTE

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

Prepared by: ⁽³⁾ Patty Richard Date Prepared: ⁽⁴⁾ 1/29/2021 Phone: ⁽⁵⁾ 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact to the Agency

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Board of Parole

Prepared by: ⁽³⁾ Rosalyn Cotton Date Prepared: ⁽⁴⁾ January 26, 2021 Phone: ⁽⁵⁾ 402 479-5731

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No significant impact related to LB 546.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Commission on Law Enforcement and Criminal Justice
(Crime Commission)

Prepared by: ⁽³⁾ Bruce Ayers Date Prepared: ⁽⁴⁾ 1-29-2021 Phone: ⁽⁵⁾ 402-471-0359

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: LB 546 has no fiscal impact on the Crime Commission.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2021-22	2022-23
	21-22	22-23	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ James Van Bruggen Date Prepared: ⁽⁴⁾ 1/26/21 Phone: ⁽⁵⁾ 402-441-8301

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Estimated costs for retraining K9 units and marijuana DUI and other training is estimated at \$100,000. Estimated new revenue is difficult to quantify.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Omaha

Prepared by: ⁽³⁾ Tyler Leimer Date Prepared: ⁽⁴⁾ 2/1/2021 Phone: ⁽⁵⁾ (402) 444-4514

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$1,284,662		\$284,661.71	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Projected fiscal impact of LB546 on OPD:

Narcotics - \$284,661.71

1 Sgt. & 2 Ofc's to provide: = \$269,661.71

- Enforcement of illegal manufacturing/sales (if occurring without a license)
 - Enforcement of illegal possession (more than an ounce if not licensed, DUI marijuana, etc.)
 - Commission advisement (law enforcement liaison)
 - Background checks for license applicants
- = \$269,661.71

- Increased lab testing = \$15,000.00

IT - \$1,000,000.00

- Create & Maintain a database of legal & illegal licensees and monitor compliance = \$1,000,000.00

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22 EXPENDITURES</u>	<u>2022-23 EXPENDITURES</u>
	<u>21-22</u>	<u>22-23</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Clerk

Prepared by: ⁽³⁾ Dan Nolte Date Prepared: ⁽⁴⁾ January 28, 2021 Phone: ⁽⁵⁾ 402-441-8721

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Fiscal impact for the county could arise from any fee or tax collected. This does not take into account any law enforcement or criminal justice issues or associated costs.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 546

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Sheriff's Office

Prepared by: ⁽³⁾ Sheriff Terry Wagner Date Prepared: ⁽⁴⁾ 01-20-2021 Phone: ⁽⁵⁾ 402 441 6500

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>720,000</u>	<u> </u>	<u>738,200</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>
TOTAL FUNDS	<u>720,000</u>	<u> </u>	<u>738,200</u>	<u> </u>

Explanation of Estimate:

Establishing a 4 deputy + Sgt. marijuana enforcement unit to enforce the provisions of this bill.
 4 deputies, 1 sgt; wages and benefits - \$520,000
 4 vehicles and equipment - \$200,000
 Year two, increase in wages by 3.5%

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Deputy sheriff	<u>4</u>	<u>4</u>	<u>400,000</u>	<u>414,000</u>
Deputy Sheriff Sgt	<u>1</u>	<u>1</u>	<u>120,000</u>	<u>124,200</u>
Benefits.....			<u> </u>	<u> </u>
Operating.....			<u> </u>	<u> </u>
Travel.....			<u> </u>	<u> </u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u>520,000</u>	<u>538,200</u>