

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				
CASH FUNDS	\$16,000	(\$132,000)	\$6,000	(\$132,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$16,000	(\$132,000)	\$6,000	(\$132,000)

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

LB 571 creates a distinction of backgrounder lots from finishing feedlots and allows for backgrounder lots to register with the Brand Committee. Becoming a registered backgrounder lot would allow for backgrounder lots to ship cattle to registered feedlots without being subject to inspection by the Brand Committee. The Brand Committee would have discretion in spot-checking and auditing backgrounder lots for record and lot compliance.

The current fee schedule for the Brand Committee is as follows:

- **New Brand Application** - \$100.00 (Left & Right sides require two separate applications with separate checks of \$100.00 each)
 - Add location - \$15.00 per location (same side only)
 - Add freeze - \$25.00 per side
- **Brand Transfer** - \$40.00
- **Brand Renewal** - \$50.00 (Every four years)
- **Brand Lease** - \$1.00 (Only good until renewal date)
- **Brand Ownership Certificate** - \$1.00 per copy
- **Brand Research** - \$20.00 per hour & \$1.00 per copy
- **Inspection Fee** - \$1.00 per head
- **Surcharge** - \$20.00 per stop (Effective July 1, 2020)
- **Local Inspection Duplicate** - \$6.00 research + \$1.00 per copy
- **Salering Clearance Duplicate** - \$6.00 research + \$1.00 per copy
- **Local Inspection Research** - \$20.00 per hour + \$1.00 per copy
- **Grazing Permits** - \$15.00 per year (Renewed every year)
- **Registered Feedlot Permit** - \$1000.00 for each 1,000 head plus \$250.00 for each increment of 250 head above the 1,000 head total of the one-time capacity of lot(s) to be registered.

LB 571 would eliminate inspections of cattle moving from registered backgrounder lots to registered finishing lots. Using the Brand Committee's estimate of 100 backgrounder lots and using the Brand Committee's 1,000 size estimate for lots, we concur with their estimate of a loss of \$130,000 in revenue. Using the Brand Committee's estimate of 100 backgrounder lots, we estimate an additional \$2,000 loss of revenue from the loss of travel surcharge fees implemented. We disagree with the agency that there will be additional travel costs, rather the cost will be felt in a loss of revenue that's reflected above. We do not dispute the agency operating cost.

Brand Committee is a cash funded agency, this would have no impact on the General Fund.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 571	AM:	AGENCY/POLT. SUB: Nebraska Brand Committee	
REVIEWED BY: Claire Oglesby	DATE: 2/3/21	PHONE: (402) 471-4174	
COMMENTS: Based on the assumptions provided there is no basis to disagree with Brand Committee's fiscal note.			

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2021

LB⁽¹⁾ 571

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Brand Committee

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Date Prepared: ⁽⁴⁾ 1-28-2021

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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	\$49,160.00	-\$130,000.00	\$39,160.00	-\$130,000.00
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$49,160.00</u>	<u>-\$130,000.00</u>	<u>\$39,160.00</u>	<u>-\$130,000.00</u>

Explanation of Estimate:

This projection is based on an estimated 100 registered grow yards each having a \$50 registration fee and an estimated audit fee of \$150 (1500 head capacity grow yard). There will be quarterly audits done at each yard. Operating expenses contain additional technology program development (\$10,000), forms (\$5000), supplies and postage needed (\$1000) for the audits to be completed.

Revenue is generated by \$20,000 for Backgrounder audits fees, but due to loss of inspecting the cattle from Background yards into the registered feedlots the agency will lose \$150,000.00 of inspection fees generating a net loss in revenue of \$130,000.00 for Brand Committee.

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.....			\$16,000	\$6,000
Travel.....			\$33,160	\$33,160
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$49,160</u>	<u>\$39,160</u>