

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(See below)		(See below)
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB 651 would establish the Water Resources Revolving Loan Fund Act. The Natural Resources Commission would be authorized to approve interest-free loans from the fund, which would be administered by the Department of Natural Resources. Loans could be used for no more than 40% of a project cost; eligible projects would include the acquisition or lease of water rights, vegetation management, augmentation of river flows and development, storage or transportation of water. Loans would be available to natural resources districts (NRDs) or joint public entities. The fiscal impact of LB 651 includes:

Water Resources Revolving Loan Fund -- Funding deposited in the Water Contingency Cash Fund would be transferred to the Water Resources Revolving Loan Fund. Existing law provides that funds deposited in the Water Contingency Cash Fund would be transferred to the Cash Reserve Fund. It is not known when funds will be deposited in the Water Contingency Cash Fund; assuming that funds become available, up to \$9,450,000 could be deposited in the Water Resources Revolving Loan Fund rather than the Cash Reserve Fund. If the deposit occurred, there would be an annual General Fund revenue loss of \$375,000 to \$475,000 because interest earned on the Cash Reserve Fund is transferred to the General Fund. The timing of the expenditures from the fund would depend upon when funds are transferred in and the Department of Natural Resources initiates a loan application process for NRDs and joint public entities.

Department of Natural Resources expenses – The Department of Natural Resources would incur expenses to administer the fund and the related grant application, approval and monitoring process. The agency would be allowed to charge an administrative fee on loans to cover its costs. There is no basis to disagree with the agency estimate of \$75,000 to \$85,000 in administrative expenses. The timing of the costs would also depend upon whether funds become available in the Water Resources Revolving Loan Fund.

NRD and joint public entity impact – NRDs and joint public entities receiving loans would receive addition revenue and would also incur additional expenses, because loans would cover up to 40% of project costs. The actual costs will depend upon the size of the project and can not be estimated at this time.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Cindy Miserez	DATE	2/11/09	PHONE	471-2526
COMMENTS					
DEPARTMENT OF NATURAL RESOURCES: I concur with changes noted to break out benefit detail and incorporate 2.5% salary increase in FY 2011.					
LOWER PLATTE SOUTH NATURAL RESOURCES DISTRICT: I have no basis to dispute the NRD statement.					
PAPIO-MISSOURI RIVER NATURAL RESOURCES DISTRICT: I have no basis to dispute the NRD statement.					

