

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$320,413	\$9,782	\$140,311	
CASH FUNDS		See below		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$320,413	See below	\$140,311	

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

LB999 makes the following amendments to the Hemp Farming Act:

- Amends and creates definitions;
- Amends current restrictions and creates new restrictions on the cultivation, possession, handling, transportation, processing, use, or consumption of hemp;
- Terminates provisions of the Hemp Farming Act relating to duties to the Nebraska Department of Agriculture and allows for USDA licensing and regulation;
- Terminates the Hemp Program Fund and transfers any money in the fund to the Noxious Weed Cash Fund; and
- Amends the definition of Cultivator or processor-handler transporting hemp.

LB999 terminates the Hemp Promotion Fund and transfers any money in the fund to the General Fund.

LB999 makes the following amendments to the Uniform Controlled Substances act:

- Amends definitions; and
- Strikes reference to the Nebraska Hemp Farming Act.

Concur with the Department of Agriculture’s estimate for neutral expenditures as it strikes the Department’s duties under the Hemp Farming Act and transfers the Cash Fund used for program funding into the Noxious Weed Cash Fund. No basis to disagree with the State Patrol’s estimates provided for increased costs related to testing.

The Agency does not assume any salary or benefits increases for FY25-26 for the additional personnel needed pursuant to this bill’s provisions. While the actual salary and health insurance increases for FY25-26 and thereafter are not yet determined, it is important to note that any additional personnel in FY24-25 will have ongoing rising costs associated with salary and health insurance increases, which are normally addressed in the biennial budget process for all bargaining and non-bargaining employees.

The balance of the Hemp Promotion Fund stands at \$9,781.73 as of 12/30/2023 and would be transferred to the General Fund.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 999	AM:	AGENCY/POLT. SUB: Nebraska State Patrol	
REVIEWED BY:	Jacob Leaver	DATE: 1/16/2024	PHONE: (402) 471-4173
COMMENTS: The Nebraska State Patrol’s estimate fiscal impact to the agency as a result of LB 999 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 999	AM:	AGENCY/POLT. SUB: Department of Agriculture	
REVIEWED BY:	Jacob Leaver	DATE: 1/16/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Department of Agriculture’s estimated fiscal impact to the agency as a result of LB 999.			

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

2024

LB⁽¹⁾ 999

FISCAL NOTE

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

Prepared by: ⁽³⁾ Ashley Dempsey Date Prepared: ⁽⁴⁾ 1/10/2024 Phone: ⁽⁵⁾ 402-429-2487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	(\$89,509)	(\$53,000)		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$89,509)	(\$53,000)		

Explanation of Estimate:

LB 999 removes all duties under the Nebraska Hemp Farming Act for the Department. Sec. 4, 2-509 terminates the Nebraska Hemp Program Fund and transfers money in the fund to the Noxious Weed Cash Fund. Sec. 7, 2-958 (2) allows for reimbursement of fees paid for hemp licenses issued by the Department for the 2024 calendar year from the Noxious Weed Cash Fund until January 1, 2025. The emergency clause would terminate the program and fund prior to the end of the fiscal year.

Decrease in expenditures for FY2024-25 is directly from the Biennium Budget request filed by the Department in September 2022. Decrease in revenue is based on actual from FY2022-23. Below is a summary table of revenue and expenditures for the program since inception in FY2019-20.

	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Beginning Cash Balance	-	41,713	56,232	25,977
Revenue	(78,871)	(120,131)	(74,361)	(53,271)
Expense	37,159	105,611	104,616	28,589
Ending Cash Balance	41,713	56,232	25,977	50,659

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2024-25	2025-26
	24-25	25-26	EXPENDITURES	EXPENDITURES
Agriculture Program Manager	1.0		(\$58,327)	
Benefits.....			(\$13,132)	
Operating.....			(\$16,550)	
Travel.....			(\$1,500)	
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			(\$89,509)	

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

2024

LB⁽¹⁾ 999

FISCAL NOTE

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

Prepared by: ⁽³⁾ Carol Aversman Date Prepared: ⁽⁴⁾ 01-12-2024 Phone: ⁽⁵⁾ 402-479-4545

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$320,413</u>	<u> </u>	<u>\$140,311</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>\$320,413</u>	<u> </u>	<u>\$140,311</u>	<u> </u>

Explanation of Estimate:

LB 999 changes certain provisions of the NE Hemp Farming Act and the Uniform Controlled Substances Act. As a result, the Nebraska State Patrol Crime Laboratory will need to implement procedures to test consumable products presumably derived from Hemp and submitted to the Crime Lab for testing to determine if they contain tetrahydrocannabinols. While it is difficult to estimate how many submissions this change will result in, for purposes of this fiscal note, it has been assumed that the Crime Lab will need to test 500 samples. If this bill results in considerably higher submissions the costs will be greater and would require the hiring of an additional Forensic Scientist. Note that the current facility does not have adequate space to properly house the added resources. However, once completed, the currently planned expansion will provide the necessary space to accommodate the needs related to this bill.

The estimated costs include the salary and benefits for 1 additional Forensic Scientist, capital outlays for lab equipment and office furniture, ongoing operational costs including lab supplies, office supplies, equipment maintenance contracts (beginning in FY 25/26), and ongoing IT support fees charged by OCIO.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Forensic Scientist I	<u>1</u>	<u>1</u>	<u>\$56,624</u>	<u>\$56,624</u>
Benefits.....			<u>\$21,517</u>	<u>\$21,517</u>
Operating.....			<u>\$42,312</u>	<u>\$62,170</u>
Travel.....			<u> </u>	<u> </u>
Capital outlay.....			<u>\$199,960</u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u>\$320,413</u>	<u>\$140,311</u>