

Revised based upon amendments adopted.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	34,683	59,266	43,180	95,834
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	34,683	59,266	43,180	95,834

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

As amended, LB 360 would amend sections of law governing the seizure of abandoned, neglected and mistreated animals and the Commercial Dog and Cat Operator Inspection Program. The fiscal impact of LB 360 as amended would include:

Commercial Dog and Cat Operator Inspection Program revenue: LB 360 would: 1) establish a one-time initial application fee of \$125; 2) increase the annual license fee by \$25 per year, except that the fee charged to licensees with over 500 animals would be increased by \$100; 3) establish an additional \$2 per animal fee to be paid by breeders, pet shops, dealers and boarding kennels housing 10 or more dogs or cats; 4) establish a reinspection fee of \$150 and mileage charges; and 5) would increase the license tax paid to local licensing jurisdictions from \$1 to \$1.25.

The Department of Agriculture estimates a revenue increase of \$59,266 in FY15-16 and \$95,834 in FY16-17. The revenue estimated for FY15-16 is lower due to the December 1, 2015 effective date of LB 360. All fees would be deposited in the Commercial Dog and Cat Operator Inspection Program Cash Fund

Department of Agriculture special investigator: LB 360 as amended would include in the definition of a law enforcement officer under Section 28-1008 “a special investigator appointed as a deputy state sheriff as authorized pursuant to section 81-201 while acting within the authority of the Department of Agriculture under the Commercial Dog and Cat Operator Inspection Act.” It is estimated by the Department of Agriculture that the agency would hire a .40 FTE position to act as an investigative officer and would expend \$10,000 in FY15-16 to train agency staff regarding the handling of animal neglect, abandonment and mistreatment cases.

The agency also estimates that up to \$20,000 could be expended annually for the care of animals seized by the Department of Agriculture. The actual costs will depend upon the number of cases where the Department of Agriculture, and not a local entity, seizes and impounds animals. There is the potential that the agency could be reimbursed for impoundment costs if a court judgement is made in favor of the agency. Judgement revenue would be deposited in the Commercial Dog and Cat Operator Inspection Program Cash Fund.

The agency estimates total additional expenses of \$34,683 Cash Funds in FY15-16 and \$43,180 Cash Funds in FY16-17. The annual expenses may vary year-by-year based upon impoundment cases and revenue could vary based upon potential reimbursement from court judgements.

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2015

LB⁽¹⁾ 360 with amendments AM 1151, 1193, & 1194

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Department of Agriculture

Prepared by: ⁽³⁾ Robert Storant

Date Prepared: ⁽⁴⁾ 04/27/2015

Phone: ⁽⁵⁾ 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>34,683</u>	<u>59,266</u>	<u>43,180</u>	<u>95,834</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u><u>34,683</u></u>	<u><u>59,266</u></u>	<u><u>43,180</u></u>	<u><u>95,834</u></u>

Explanation of Estimate:

LB 360 with amendments; AM1151, 1193 & 1194 would generate additional revenue to address current cash flow and amends and clarifies authorities of the current Commercial Dog and Cat Operator Inspection Act.

AM1193 changes the local license tax from one dollar to one dollar and twenty-five cents effective December 1, 2015. The local entity would be able to continue to retain 3 cents for administrative handling purposes. The timing of when locals collect the local license tax and notification of the fee change may impact the actual revenue received in FY 2015-16. Utilizing a three year average (based on actual collections for FY 2011-12 through FY 2013-14) and due to the operative date (assumed a 50% impact on local excise license tax for the first year), program income from local fee is projected to be \$262,144 in FY 2015-16 and \$291,847 for future years.

AM1193 also increases all annual fees by \$25.00 for each fee category, except the top category is increased by \$100.00, as spelled out in current law under 54-627. This would increase revenue by \$28,200 in FY 2015-16 and \$32,465 in future years based on current fee information. Due to the operative date for when fees are increased, animal control facilities, animal rescues and animal shelters whose annual fee is due on or before October 1st would not pay the increased annual fee until FY 2016-17. In addition to the annual fee breeders, pet shops, dealers and boarding kennels would pay, they would also pay an additional \$2.00 times the daily average number of dogs or cats numbering more than ten dogs or cats housed by the licensee over the previous annual period. This affects license holders that pay the annual fee on or before April 1st. AM1193 and AM1151 are not consistent in how they amend section 54-627.

AM1151, amends and adds new definitions to clarify authority, establishes the initial application fee at \$125.00, changes the license so that it would no longer expire at the end of each year and creates a reinspection fee of \$150.00 plus mileage. It is estimated there would be twelve re-inspections during the first year and twenty five each year there-after at an average cost of \$200.00.

Included in the fiscal note is a request for a cash fund appropriation to hire and train a .4 FTE investigative officer (first year .25 FTE) plus travel cost. AM1151 authorizes the director to use the investigation officer and other law enforcement officers to inspect, care for, seize or impound dogs or cats regulated under the Commercial Dog and Cat Operator Inspection Act. The department shall cooperate and coordinate with law enforcement agencies, political subdivisions, animal shelters, humane societies and other public and private entities to provide care, shelter and disposition of such dogs and cats. It is the intention of the department to train existing department deputy state sheriffs and/or hire a part-time investigator (deputy state sheriff) to assist in these efforts. The fiscal note reflects \$10,000 for training, plus \$500.00 travel cost. To the extent existing officers are used their cost would be paid from the Commercial Dog and Cat cash fund.

An indeterminable cost to the department is the cost to impound, seize and care for dogs and cats which can include the cost for medical care, additional legal cost, and cost to otherwise care for the dogs and cats. It is projected there may be 2-3 cases per year at a cost of \$20,000 per case. To maintain a positive cash flow the fiscal note reflects \$10,000 the first year based on the December 1st operative date and \$20,000 per year, each year thereafter. To the extent judgements are awarded, some of this cost may be reimbursed.

The program cash flow reflects a vehicle being replaced each year. For the three agency owned vehicles utilized by this program there will be a year when a replacement will not be needed. This is a year to year analysis based on approximately 30,000 miles driven per vehicle per year. This would affect cash flow, assuming other revenue and expense variables are close to projections.

	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected
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	FY11-12	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Beginning Cash Balance	136,977	116,305	99,837	85,000	61,800	39,363	35,372	20,618
Revenue:								
General License Fees	130,510	125,875	118,180	120,000	148,200	152,465	152,465	152,465
Dog & Cat Lic Fee (Local)	224,976	222,804	252,653	251,582	262,144	291,847	291,847	291,847
Reinspections					2,400	5,000	5,000	5,000
Investment Income	2,352	1,185	1,164	1,131	1,060	850	800	650
Operating Donations	2,000	0	0	3,000	0	0	0	0
Reimb Non-Govt Sources	516	630	384	113	384	384	384	384
Late Renewal Fees	880	3,240	1,975	1,460	2,032	2,032	2,032	2,032
Miscellaneous	7,540	6,517	(26)	(6)	3,500	3,500	3,500	3,500
Total Revenue	368,774	360,251	374,330	377,280	419,720	456,078	456,028	455,878
Expenditures:								
Salary & Benefits	323,184	307,623	312,980	324,371	330,858	339,130	347,608	356,298
Additional Investigator					14,183	22,680	23,250	23,900
Operating	47,662	45,014	54,069	54,072	54,072	55,153	56,257	57,382
Special training					10,000			
Animal care					10,000	20,000	20,000	20,000
Travel	3,694	6,828	2,537	2,537	3,544	3,606	3,667	3,730
Capital Outlay	18,055	17,254	19,581	19,500	19,500	19,500	19,500	19,500
Total Expenditures	392,595	376,719	389,167	400,480	442,157	460,069	470,782	480,810
Less: Gen Fund Charges	(3,149)							
Cash Fund Balance	116,305	99,837	85,000	61,800	39,363	35,372	20,618	(4,314)

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2015-16 EXPENDITURES	2016-17 EXPENDITURES
	15-16	16-17		
Agriculture Investigation Officer	.25	.40	10,500	16,800
Benefits.....			3,683	5,880
Operating.....			20,000	20,000
Travel.....			500	500
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			34,683	43,180

