

PREPARED BY: Scott Danigole  
DATE PREPARED: January 17, 2014  
PHONE: 471-0055

**LB 771**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 771 changes the frequency with which cigarette manufacturers register under the Reduced Cigarette Ignition Propensity Act.

Currently, cigarette manufacturers register and pay \$1,000 every four years. Under the provisions of LB 771, this would occur every three years.

There would be no fiscal impact on the expenditure side resulting from the bill. On the revenue side, fees would remain the same, but be received more frequently.

No fiscal impact.

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

**2014**

**LB<sup>(1)</sup> 771**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup>

State Fire Marshal

Prepared by: <sup>(3)</sup> Cathy Wann

Date Prepared: <sup>(4)</sup> 1/13/14

Phone: <sup>(5)</sup> 402-471-9479

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2014-15</u>		<u>FY 2015-16</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:**

Currently the cigarette manufacturers pay \$1,000 per brand family and register once every four years. The program started on January 1, 2010 and since inception 131 brand families have registered, which generated \$131,000 for the four year period. This legislation has no impact on expenditures, which are approximately \$55,000 per year. The legislation does have an impact on revenues: the amount of revenue would not change, but it would be collected each three years instead of every four years.

Nebraska is the only state with a four year recertification period. This legislation would bring Nebraska into the same certification period as other states by making the recertifying time period less confusing for the cigarette companies since it would be the same time frame in all states.

Due to Nebraska's four-year certification of cigarette manufacturers, companies will recertify the majority of cigarettes prior to the introduction or passage of this bill, meaning there will be no fiscal impact in 2014-15 or 2015-16. Companies recertified in 2014 and will not be required to recertify again until January of 2018. After 2018 with the passage of this legislation, recertification will be each three years.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____