

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$7,600		\$7,600	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$7,600		\$7,600	

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

LB 591 amends the Contractor Registration Act to provide additional duties and authority for the Department of Labor.

The Department is given authority, following an investigation, to revoke the registration of a contractor who willfully fails to take corrective action to bring a building or buildings into compliance with applicable state and local building codes.

Under the provisions of the bill, no investigation is to take place unless a written complaint is filed which includes signed substantiation of a potential violation from a building inspector, code official, the State Energy Office, or a certified building official credentialed by the International Code Council, and the complainant has taken reasonable steps to obtain compliance.

If a citation for failure to comply is issued, the Department shall provide the contractor with a timeframe for taking corrective action.

New language is added in Section 81-1616 that says if the State Energy Office finds that a building does not comply with the Nebraska Energy Code they are to forward that finding to the Department of Labor for enforcement under the Contractor Registration Act.

The Department of Labor estimates that LB 591 will result in an increased cost of \$7,600 per fiscal year to conduct hearings but they can cover the additional workload with existing staff.

We disagree with the Department of Labor estimate that this will be an expenditure from the General Fund. It should be a cash fund expenditure from the Contractor and Professional Employer Organization Registration Cash Fund.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 591	AM:	AGENCY/POLT. SUB: Nebraska Department of Labor
REVIEWED BY: Lee Will	DATE: 02/02/2017	PHONE: (402) 471-4175
COMMENTS: The Nebraska Department of Labor's estimate of fiscal impact appears to be reasonable given the assumptions used.		

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

2017

LB⁽¹⁾ 591

FISCAL NOTE

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

Prepared by: ⁽³⁾ Kim Schreiner Date Prepared: ⁽⁴⁾ 1/31/2017 Phone: ⁽⁵⁾ 402-471-2492

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2017-18		FY 2018-19	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$7,600		\$7,600	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$7,600</u>		<u>\$7,600</u>	

Explanation of Estimate: LB 591 creates new authority for the Department of Labor to revoke registration of a contractor when it is established the contractor willfully failed to take corrective action to address a state or local building code issue. It is estimated that the Department will be involved in approximately 10 such matters under LB 591 as proposed each year. Under LB 591 a contractor has a right to a hearing on the revocation. It is anticipated that the Department can cover the workload with existing staff. The majority of the cost will be for hearings. Costs associated with LB 591 include \$100 for additional Postage as well as \$7,500 for 10 hearings at \$750 each. We will need an additional appropriation of \$7,600 for LB 591.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2017-18	2018-19
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Total Salaries				
Benefits.....				
Operating.....			\$7,600	\$7,600
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			<u>\$7,600</u>	<u>\$7,600</u>