

*MSD*

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**LB 452**

Revision: 01

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated to show costs as one-time and not ongoing.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	114,100	See Below	See Below	See Below
CASH FUNDS	See Below	See Below	See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	114,100			

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

This bill would provide for lottery winnings and tax refund intercept for debts owed to a court.

The Department of Revenue (DOR) estimates a one-time cost of \$114,100 for computer programming costs. Their response follows:

LB 452 requires the Department to offset income tax refunds against any debt (unsatisfied court cost, fine, fee, or other sum of \$25 or more) certified by the State Court Administrator as owing to the court. LB 452 also requires the Department to offset lottery awards over \$500 against these same debts. It sets forth an offset procedure for Lottery to follow in cooperation with Administrative Services and the State Court Administrator. The bill also provides an appeal process and hearing for a debtor to contest the offset. The offset is similar to the offset procedure that the Department uses for the Department of Health and Human Services offsets in sections 77-27,160 to 77-27,153.

The bill is not expected to have a revenue impact on the General Fund.

Departmental cost to implement the bill includes one-time General Fund costs to Program 102. These costs include \$100,500 in mainframe programming costs, and \$13,600 to modify a transaction processing system. As drafted, the offset procedure will require programming changes for the individual, corporate, and fiduciary income tax programs.

The Supreme Court estimates that General Fund and cash fund revenue and expenditures may increase under this bill but at this time the impact is unknown. Their response follows:

LB 452 has the potential to increase revenue to the General Fund, several cash funds that receive court fees and political subdivisions such as school districts and counties. Expenditures will also increase to implement and administer the collection system. However, it is difficult to estimate revenue since the type of fees and fines collected and the amount that can reasonably be collected is not known. In addition, the expenses of implementing the system vary significantly based on how the system is structured.

Administrative Services states that the process for withholding debt of the court system would be similar to that of payroll garnishments. The cost to process individual garnishments is minimal, approximately \$40 per occurrence and charged back to the court system. A more exact cost would be determined for this project once more details of the process were analyzed. These costs would be charged back to the court system. Administrative Services further states that it is assumed all costs associated with the technology development for this process would be assumed by the court system. Therefore, there would be no cost to State Accounting.