

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$2,268,000 - \$10,230,000		\$2,268,000 - \$10,230,000	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$2,268,000 - \$10,230,000		\$2,268,000 - \$10,230,000	

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

LB 664 changes provisions related to the Mutual Finance Assistance Fund.

Section 1 adds language to Section 35-1206 stating “Each rural and suburban fire protection district or each village, city of the second class, or rural and suburban fire protection district that is a member of a mutual finance organization which qualifies for assistance under section 35-1205 shall receive ten thousand dollars.”

There are multiple ways in which this language can be interpreted. For example, shall \$10,000 be distributed to each rural and suburban fire protection district, OR (but not including) each village, city of the second class, OR (but not including) each rural and suburban fire protection district that is a member of a mutual finance organization which qualifies for assistance? If this is the case, each of those three groupings must be counted to determine the number of participants to receive \$10,000. Depending on which group is to receive such funds, the total cost will vary. For this reason, the State Treasurer has included a range of possible costs. There is no basis to disagree with their estimates.

It should be noted that the funding source for the program is ten percent of Insurance Tax Premiums. This amount varies every year. To the extent that the current appropriation of \$4,000,000 plus the additional requirements under LB 664 exceed the amount credited to the Mutual Finance Assistance Fund from the Insurance Tax Fund, funding for the program will require General Funds

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

2021

LB<sup>(1)</sup> 664

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Jason Walters Date Prepared: <sup>(4)</sup> January 27, 2021 Phone: <sup>(5)</sup> 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	2,680,000 - 10,230,000	_____	2,680,000 - 10,230,000	_____
TOTAL FUNDS	<u>2,680,000 -</u> <u>10,230,000</u>	_____	<u>2,680,000 -</u> <u>10,230,000</u>	_____

Explanation of Estimate:

Lines 11-15 on page 2 of LB 664 discuss entities receiving \$10,000. However, the wording leaves multiple interpretations as to how many entities would receive funds. Therefore, we are estimating a range from \$2,680,000 - \$10,230,000.

The wording states each rural and suburban fire protection district (we'll refer to this as Group A) or each village, city of the second class (we'll refer to this as Group B), or rural and suburban fire protection district that is a member of a mutual finance organization (we'll refer to this as Group C) which qualifies for assistance under section 35-1205 shall receive ten thousand dollars.

We are unclear who would receive \$10,000. Do members of Groups A, B & C all receive \$10,000? Or, members of Group A or Group B or Group C? Group C would include all members of Group A, however, not all members of Group A would be in Group C.

The maximum amount needed for additional appropriation would be \$10,230,000. This would cover 525 fire districts in Group A and 498 villages, cities of the second class included in Group B each receiving \$10,000. The minimum amount needed for an appropriation would be \$2,680,000 for the 104 villages, cities of the second class and 164 rural and suburban fire protection districts that are members of a mutual finance organization which qualify for assistance under section 35-1205.

Money that is distributed to the mutual finance organizations come from the Insurance Tax Fund. Any excess money after distributions are made is returned to the general fund.

As a technical note, if this language is amended to provide more clarity, the Treasurer's Office can do a revised fiscal note.

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....			2,680,000 -	2,680,000 -
			10,230,000	10,230,000
Capital improvements.....				
TOTAL.....			2,680,000 -	2,680,000 -
			10,230,000	10,230,000