Scott Danigole April 12, 2021 471-0055

LB 664

Revision: 01

FISCAL NO

LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated to reflect all amendments adopted to date.

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)

	FY 202	1-22	FY 2022-23		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS		(\$4,060,000)		(\$4,060,000)	
CASH FUNDS	\$4,060,000		\$4,060,000		
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	\$4,060,000	(\$4,060,000)	\$4,060,000	(\$4,060,000)	

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

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

Section 1 adds language to Section 35-1206 to direct that each village or city of the second class that is a mutual finance organization that qualifies for assistance shall receive \$10,000 and each rural or suburban fire protection district that qualifies for assistance shall receive the same, regardless of whether such district is a member of a mutual finance organization that qualifies for assistance.

Currently, the Mutual Finance Assistance program (housed in agency 12 - State Treasurer) receives approximately \$10,000,000 per year from Insurance Premium Tax under section 77-912. Of this amount, \$4,000,000 per year is currently appropriated through the Mutual Finance Assistance program. The unexpended dollars (approximately \$6,000,000 per year) lapse back to the General Fund.

The State Treasurer estimates that the provisions of LB 664, as amended, will result in distribution of an additional \$4,060,000. This will be distributed as Cash Funds and result in a General Fund revenue reduction of \$4,060,000.

These estimates appear to be reasonable.

State Agency Estimate								
State Agency Name: Department of Revenue			Date Due LFO:					
Approved by: Tony Fulton		Date Prepared:	red: 4/12/2021 Phone: 471-5896					
	FY 2021-2022		FY 2022-2023		FY 2023-2024			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds	See Below	See Below	See Below	See Below	See Below	See Below		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds	See Below	See Below	See Below	See Below	See Below	See Below		

LB 664 would have amended Neb. Rev. Stat. § 35-1206, dealing with aid provided to cities, villages and rural and suburban fire protection districts to require each qualifying city, village, or rural or suburban fire protections district that is a member of a mutual finance organization to receive and minimum of \$10,000 in aid. AM 303 retains the \$10,000 minimum aid but strikes the requirement that a rural or suburban fire protection district be a member of the mutual finance organization.

This program is funded through a portion of the Insurance Premium Tax, administered by the State Treasurer. Since the remaining balance of the fund is returned to the general fund, LB 664 amended by AM 303 will result in a lower remaining balance in the fund that would be available to transfer to the general fund.

LB 664, amended by AM 303, requires no cost to the Department to implement.

The operative date for this bill is three months after adjournment.

Major Objects of Expenditure								
Class Code	<u>Classification Title</u>	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures	
Operating Costs.								
Travel								
Capital Outlay								
Capital Improveme	ents							

LB ⁽¹⁾ 664, AM 3	303					FISCAL NOTE	
State Agency OR Political S	State ⁻	State Treasurer					
Prepared by: (3) Jason	Walters	Date	Prepared: (4)	April 7, 2021	Phone: (5	402-471-2793	
E	STIMATE PROV	IDED BY S	TATE AGENO	CY OR POLITICA	L SUBDIVIS	ION	
	<u>EXPENDITURI</u>	<u>Y 2021-22</u> E <u>S</u>	REVENUE	EXPENDIT	FY 202 <u>FURES</u>	REVENUE	
GENERAL FUNDS		<u></u>					
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS	4,060,000	<u> </u>		4,060,0	000		
TOTAL FUNDS	4,060,000			4,060,0			
Explanation of Estimate:							
-	(1)	(
According to subdivision	ons (b) and (c) o	f LB 664, A	AM 303;				
(c) Each rural or suburban f dollars, regardless of wheth 32-1205.". Our records show 232 under subdivision (c).	ner such district is a villages/cities w	member in a	mutual finance	organization which on (b) and 174 fi	qualifies for a	ssistance under section n districts would fall	
Money that is distribute money after distribution					urance Tax	Fund. Any excess	
Personal Services: POSITION TI			AJOR OBJECT OF POSITIONS 22-23	S OF EXPENDIT S 2021- EXPENDI	22	2022-23 EXPENDITURES	
Benefits							
Operating							
Travel							
Capital outlay							
Aid				4,060,0	000	4,060,000	
Capital improvements							
TOTAL				4,060,0	000	4,060,000	