

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

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

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

LB 1053 amends several sections of Nebraska Revised Statutes to provide state aid to municipalities, counties, and natural resources districts.

Section 77-27,139.03 is amended to provide additional state aid to municipalities through the Municipal Equalization Fund (MEF) by providing that the first \$300,000 of any excess funds in the MEF shall be distributed to municipalities that have not adopted a local option sales tax by January 1 of the fiscal year for which those funds are distributed. Any excess funds over the \$300,000 are to be credited to the General Fund.

The bill also provides that the Legislature may appropriate money for aid to municipalities. Such aid is to be determined by the Tax Commissioner based on the following formula: each incorporated municipality shall receive aid based on the ratio of the specific municipality's population to the total population of all incorporated municipalities in the state as determined by the most recent federal census figures.

LB 1053 states that the Legislature shall appropriate funds as aid to counties. The amount of total aid is to be a percentage of the total real and personal property valuation of all counties. The percentage is to be not less than .0075% nor more than .0125%. Of that amount, each county shall receive \$30,000 and the remainder shall be distributed based on the ratio of the total real and personal property valuation in the county to the total real and personal property valuation in the state.

LB 1053 also provides that the Legislature may appropriate funds as aid to natural resources districts (NRDs). The aid is to be distributed to NRDs on the basis of the ratio of the total amount of property taxes levied by a specific NRD to the total amount of property taxes levied by all NRDs in the state. For purposes of this calculation, property taxes levied shall exclude those property taxes levied for the payment of bond principal or interest.

In addition the bill provides that the amount of local aid is to be reduced by the amount any municipality, county, or NRD fails to repay the state under the Drinking Water Revolving Fund or the Wastewater Treatment Facilities Construction Assistance Act. Counties that fail to reimburse the state for cost of caring for qualified patients at the state hospitals for the mentally ill (regional centers) shall have that amount of aid withheld from aid payments.

The bill has an operative date of July 1, 2014 and contains the emergency clause.

Because the language in the bill is permissive regarding the amount of aid that may be appropriated and because a bill making substantive changes to statute may not make a binding appropriation, technically there is no fiscal impact to the state.

The Department of Revenue has estimated, however, that if aid to counties was appropriated at the minimum level of .0075% of statewide property valuation, aid to counties and the impact to the General Fund would be as follows :

FY2014-15:	(\$13,826,487)
FY2015-16:	(\$14,310,414)
FY2016-17:	(\$14,811,279)

Because the bill only creates allocation formulas for municipalities and NRDs, and states that the Legislature may appropriate aid funds, we cannot determine a possible fiscal impact for aid to these entities.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 1053	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Lyn Heaton	DATE: 2/18/2014	PHONE: 402.471.4181
COMMENTS: No basis to disagree with the Department of Revenue analysis.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 1053	AM:	AGENCY/POLT. SUB: State Treasurer's Office
REVIEWED BY: Lyn Heaton	DATE: 2/18/2014	PHONE: 402.471.4181
COMMENTS: The State Treasurer's Office's estimate of no operational fiscal impact appears reasonable. The bill does not appear to give any substantive new duties to the Treasurer's Office.		

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

2014

LB⁽¹⁾ 1053

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

State Treasurer

Prepared by: ⁽³⁾ Jason Walters

Date Prepared: ⁽⁴⁾ January 29, 2014

Phone: ⁽⁵⁾ 402-471-2793

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:

No fiscal impact

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.....	_____	_____	_____	_____