

PREPARED BY: Kathy Tenopir
 DATE PREPARED: January 17, 2015
 PHONE: 471-0058

LB 66

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB66 requires the governing body of a school district, city, village or county which issues bonds to disclose additional information on the first page of the bond prospectus. LB66 also provides for joint and several liability.

As indicated by Lancaster County, there should be minimal cost associated with disclosing additional information on the first page of the bond prospectus. There is a potential for costs associated with the additional liability.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 66	AM:	AGENCY/POLT. SUB: CITY OF OMAHA	
REVIEWED BY: Robin Kilgore		DATE: 1-16-15	PHONE: 471-4180
COMMENTS: LB 66 requires disclosure of information and if the information is readily available, the fiscal impact would likely be minimal.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 66	AM:	AGENCY/POLT. SUB: LANCASTER CO.	
REVIEWED BY: Robin Kilgore		DATE: 1-14-15	PHONE: 471-4180
COMMENTS: No basis to dispute Lancaster County's analysis of fiscal impact.			

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

2015

LB⁽¹⁾ 66

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Omaha

Prepared by: ⁽³⁾ Sheri Larsen Date Prepared: ⁽⁴⁾ 01/16/2015 Phone: ⁽⁵⁾ 402-444-5477

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</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:

The financial impact of LB66 on the City of Omaha cannot be determined at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2015

LB66⁽¹⁾ Require political subdivisions to make disclosures regarding bonds and provide for liability

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ DOUGLAS COUNTY, NEBRASKA

Prepared by: ⁽³⁾ MARCOS SAN MARTIN, Date 1/16/15 Phone: ⁽⁵⁾ 402.444.5116
DOUGLAS COUNTY Prepared: ⁽⁴⁾ _____
ADMINISTRATION _____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Explanation of Estimate:

NO FISCAL IMPACT TO COUNTY

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>N/A</u>	<u>N/A</u>

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

2015

LB⁽¹⁾ 66

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lancaster County

Prepared by: ⁽³⁾ Dennis Meyer

Date Prepared: ⁽⁴⁾ 1-13-15

Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</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:

Cost would be minimal to Lancaster County to include additional information on the official statement. There could be some unknown costs in regard to additional liability the County would take on with this bill.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2015

LB⁽¹⁾ 66

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

City of Lincoln

Prepared by: ⁽³⁾ Steve Hubka

Date Prepared: ⁽⁴⁾ 1/12/15

Phone: ⁽⁵⁾ 402 441-7412

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	Increase – Amt Unknown	0	Increase – Amt unknown	0
CASH FUNDS	Increase – Amt unknown	0	Increase – Amt unknown	0
FEDERAL FUNDS	0	0	0	0
OTHER FUNDS	Increase – Amt unknown	0	Increase – Amt unknown	0
TOTAL FUNDS	Increase – Amt unknown	0	Increase – Amt unknown	0

Explanation of Estimate:

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....			Increased – Amt unknown	Increased – Amt unknown
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

LB 66 would require Nebraska subdivisions to put out official bond statements with disclosures in bold on the front page, which would raise red flags about municipal bond issues, make Nebraska bond documents look odd compared to others in the country, and threaten local elected officials with liability. The requirements regarding elected officials in particular would be viewed as a negative in the marketplace, and any negative factors would cause higher interest rates and possibly lower bond ratings (which causes higher interest rates). Even a few basis points higher on rates can cause a large dollar increase in interest costs on long term debt, similar to higher rates on a home mortgage. In short, this bill would increase interest rates and possibly lower bond ratings on future bond issues of an unknown amount.