

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	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.

LB 513 changes provisions relating to the number of votes needed to approve the issuance of bonds by school districts. Beginning in FY2019-20, if the property tax valuation of a school district in the prior calendar year consists of 75% or more of agricultural/horticultural land, then at least 60% of those voting at an election to issue school district bonds for construction projects must vote affirmatively for the bonds to be issued.

The bill also requires school boards that propose to issue bonds for abatement projects to submit the issue for voter approval prior to the issuance of bonds for such projects. LB 513 provides that in districts with 75% or more of agricultural/horticultural land, at least 60% of the voters must approve the issuance of bonds for such projects and in other districts at least 50% of those voting must approve the issuance of bonds for such projects. School boards will no longer be allowed to issue bonds for abatement projects without the approval of voters.

The bill has no fiscal impact for the state. It may have an unknown fiscal impact for school districts in terms of bonds issued for abatement projects in the future. There will also be additional election costs for school districts opting to submit the issuance of bonds for abatement projects to the electors.

Data indicates that the valuation of 98 school districts consists of 75% of more of agricultural/horticultural land in calendar year 2017. These districts account for 45% of all agricultural land in the state. It is possible the requirement for a higher voting threshold to approve the issuance of bonds for construction projects in these districts may impact the bonds issued in the future for such projects.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE				
LB:	513	AM:	AGENCY/POLT. SUB: Dept. of Education	
REVIEWED BY:	Gary Bush	DATE:	01/25/19	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the impact to the Dept. of Education identified. Agree that LB513 could have an impact on property valuations which would have an impact to state aid to schools (TEEOSA) in future years.				

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

2019

LB⁽¹⁾ 513

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Education

Prepared by: ⁽³⁾ Bryce Wilson/Janice Eret Date Prepared: ⁽⁴⁾ 1/23/19 Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

LB 513 changes the requirements necessary for a successful bond election and adds a requirement to vote on abatement projects. If the district valuation consists of 75% or more agricultural or horticultural land, the bond vote must receive 60% of the total votes to pass. If the district valuation is comprised of less than 75% of agricultural or horticultural land, the bond vote must receive 50% of the total votes to pass. Currently, a majority vote is required to pass a school bond issue for a building project and no public vote is required for abatement projects.

No fiscal impact to NDE or the State. This bill could have fiscal impact on school districts with more than 75% of their valuation consisting of agricultural or horticultural land. School districts that have abatement projects or issues arise may also be affected.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____