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LB 1094

Revision: 01

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised based upon amendments adopted.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(450,000)		(450,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(450,000)		(450,000)

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1094 as amended would transfer \$9,000,000 from the Cash Reserve Fund to the Water Contingency Cash Fund within seven days of the act taking effect. The Water Contingency Cash Fund would be used by the Department of Natural Resources to provide financial assistance to natural resources districts (NRDs) that certify to the Department the amount of financial assistance necessary to meet their obligations under Section 2-3226.04. NRDs receiving financial assistance would be allowed to use proceeds of the property tax as authorized in Section 2-3225 (1) (d) and the occupation tax as authorized under Section 2-3226.05 to repay the department for financial provided under LB 1094. Repayments would be deposited in the Water Contingency Cash Fund and transferred to the Cash Reserve Fund at the end of each calendar month.

Because LB 1094 has the emergency clause, it is estimated that the \$9,000,000 transfer from the Cash Reserve Fund and the expenditure of funds from the Water Contingency Cash Fund would occur in FY2007-08. Because interest income earned by the Cash Reserve Fund is transferred to the General Fund per Section 84-613, there would be a General Fund revenue loss as the result of a lower balance in the Cash Reserve Fund. Assuming a 5% interest rate, the revenue loss for FY07-08 is estimated to total \$37,500. The annualized General Fund revenue loss would total approximately \$450,000; however, the length of time that this loss would continue depends upon when repayment income is received from the NRDs and transferred to the Cash Reserve Fund. Because LB 1094 provides that repayments must be made no later than June 30, 2013, it is assumed for the purpose of this fiscal note that the revenue loss would exist in both FY08-09 and FY09-10.

NRDs qualifying for assistance under LB 1094 could receive and expend the financial assistance payments from the state. The payments would be of a one-time nature and would occur in FY07-08.