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LB 402

Revision: 01

Revised due to adoption of AM1138 and AM1314

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 402, as amended by AM1314, would amend the Convention Center Facility Financing Assistance Act and, as amended by AM1138, would authorize the investment of public endowment funds.

The bill would reduce the percentage necessary for approval of general obligation bonds by a vote of the public from 51% to 50%; provide that such a vote may be held at any election rather than the current requirement that such elections be held at a statewide regular primary or general election; and, as amended by AM1138, changes the last date for which applications may be accepted under the Act from June 1, 2010 to December 31, 2012.

AM1314, which incorporates the basic provisions of LB 128, authorizes the investment of public funds by a city having a population of more than 5,000 inhabitants, pursuant to Article XI, section 1, of the Nebraska Constitution, in a manner required of a prudent investor and in such investments as the governing body of such city acting in a fiduciary capacity may determine.

The impact of AM1314 could be a higher rate of return on investments. The city of Lincoln indicates they expect an additional 2% to 4% on the rate of return on their permanent endowments.

The Department of Revenue assumes that the changes proposed by LB 402, as amended by AM1138 dealing with the Convention Center Facility Financing Assistance Act, will not change the number of projects that qualify for assistance under the original provisions of the Act. Under that assumption, this bill would have no fiscal impact beyond that anticipated in the original legislation.

The Department of Revenue estimates the cost to implement LB 402 to be minimal.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.