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**LB 655**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2007-08</b>		<b>FY 2008-09</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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 655 provides for an adjustment to be made in state aid payments to school districts when the adjusted valuation of a district is modified by the Property Tax Administrator or by an appeal pursuant to a written objection by a school district. The bill requires state aid to be adjusted so the district receives the funds to which it is entitled based upon the modification of adjusted value. If the total state aid adjustment cannot be made with funds provided in the current school year, then the adjustment is to be prorated, and the remainder is to be paid in future school years.

The State Department of Education currently does an annual "respin" of state aid pursuant to Section 79-1065. State aid adjustments pursuant to the respin are made in the ensuing fiscal year. This bill appears to clarify that all valuation adjustments made pursuant to 79-1016 will be included in the recalculation of state aid and any changes in aid payments due to modifications of adjusted values will be paid in future state aid payments. The fiscal impact of the bill is unknown, but may result in an increase in state aid for affected districts.