

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to include amendments adopted on May 28, 2003.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2003-04		FY 2004-05	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(See Below)	3,278,211	(See Below)	1,529,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(See Below)	3,278,211	(See Below)	1,529,000

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

This bill, as amended, changes the County Property Tax Relief Act, and it has the emergency clause. The bill eliminates the appropriation to this program for FY2004 and FY2005, and then funds it at a lower level in FY2006 and FY2007. This amended bill also states that any excess funds in the Municipal Equalization Fund (known as the Municipal Equalization Fund rollover), less one million six thousand dollars, shall be credited to the General Fund in FY2003. In future years, all excess funds, less \$300,000, from the Municipal Equalization Fund rollover shall be credited to the General Fund.

REVENUES: This bill will increase General Fund revenues because of the changes to the Municipal Equalization Fund rollover and the amount is estimated as follows:

	FY2004	FY2005	FY2006	FY2007
Municipal Equalization Fund rollover	3,278,211	1,529,000	1,002,000	414,000

EXPENDITURES: This bill will reduce expenditures to the County Property Tax Relief Program as follows:

	FY2004	FY2005	FY2006	FY2007
County Property Tax Relief Program Base	4,505,374	4,505,374	4,505,374	4,505,374
LB 622	(4,505,374)	(4,505,374)	(1,520,000)	(1,357,000)
TOTAL	0	0	2,985,374	3,148,374

The reduction in the County Property Tax Relief Program is reflected in LB 407, the mainline appropriation bill.

IMPACT ON POLITICAL SUBDIVISIONS: This bill will reduce state aid revenues to counties by \$4,505,374 in FY2004 and by \$4,505,374 in FY2005, and it is estimated to reduce aid to counties by \$1,520,000 in FY2006 and \$1,357,000 in FY2007.

Additionally, municipalities will see a reduction in state aid under the provisions of this bill that change the Municipal Equalization Fund rollover, and the reduction is estimated as follows:

	FY2004	FY2005	FY2006	FY2007
Municipal Equalization Fund rollover reduction	(3,278,211)	(1,529,000)	(1,002,000)	(414,000)

Municipalities without a local option sales tax will receive \$300,000 as noted in the amended bill.