

7/11/11

PREPARED BY: Doug Gibbs
DATE PREPARED: February 01, 2011
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LB 361

Revision: 00

FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *			
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$ 42,195)		(\$ 42,195)	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$ 42,195)		(\$ 42,195)	

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

LB 361 amends Nebraska Revised Statutes Section 77-5004, dealing with the Tax Equalization and Review Commission (TERC), to set the annual salary of TERC commissioners.

The Nebraska Constitution Article IV, Section 28 states that "The terms of office and compensation of members of the commission shall be as provided by law." At this time the salaries of the commissioners are set by the Governor and are not found in statute.

LB 361 sets the salaries of the commissioners at \$86,500 annually.

The current annual salaries of the four commissioners are as follows:

- 2 commissioners at \$105,040 each.
- 2 commissioners at \$ 86,282 each.

The Tax Equalization and Review Commission provided the following estimate of fiscal impact:

Current total annual salaries: \$ 382,644
 Current FICA: \$ 29,272
 Current retirement: \$ 28,698
 Total: \$ 440,614

LB 361 total annual salaries: \$ 346,000
 LB 361 FICA: \$ 26,469
 LB 361 retirement: \$ 25,950
 Total: \$ 398,419

Difference between current cost and LB 361:

Salaries: \$ (36,644)
 FICA: \$ (2,803)
 Retirement: \$ (2,748)
 Total: \$ (42,195)

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

It should be noted that the above reduction is an annual number based on fiscal year and the bill does not have an operative date, but does contain the emergency clause. If the bill passes there will be some impact in the current fiscal year but that impact is dependent on when the bill passes and is signed into law.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/2/11	PHONE	471-2526
COMMENTS					
TAX EQUALIZATION AND REVIEW COMMISSION: The agency estimate appears reasonable.					

FISCAL NOTE JAN 24 2011 **LB361**
Tax Equalization and Review Comm

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Date Prepared	1/21/2011
Prepared Phone	402-471-8915

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	(\$42,195.57)		(\$42,195.57)	
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	(\$42,196.57)		(\$42,195.57)	

Explanation of Estimate:

LB 431 sets Commissioner salaries at \$86,500 annually. The assumption in this note is that annually refers to the fiscal year rather than a calendar year.

Current Commissioner salaries FICA/MCare and State Retirement

2 Commissioners	105,040 each	=	\$210,080.00
2 Commissioners	86,282 each	=	\$172,564.00
Salary			\$382,644.00
FICA/MCare	.0765		29,272.27
State Retirement	.075		28,698.30
Total			\$440,614.57

LB 431 Commissioner Salaries FICA/MCare and State Retirement

4 Commissioners	86,500 each	=	\$346,000.00
FICA/MCare	.0765		26,469.00
State Retirement	.075		25,950.00
Total			\$398,419.00

Current costs	\$440,614.57
LB 431	(\$398,419.00)
Total	\$ 42,195.57

LB 431 as drafted would also impact salaries paid in the current fiscal year that impact has not been calculated.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures