

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB943 would amend the definition of allowable (budget) growth for governmental units. Governmental units are defined by Sec. 13-518 to mean political subdivisions with authority to levy property taxes excluding sanitary improvement districts that have existed for five years or less and school districts. Applicability of the amended provisions would also exclude community college areas insofar that Sec. 13-518 separately addresses allowable (budget) growth with respect to community college areas and these separate provisions are not amended by LB943.

For political subdivisions affected by the amendments contained in LB943, allowable (budget) growth is defined in Sec. 13-518 to be the percentage increase in taxable valuation *in excess of the 2.5% “base limitation” established under Sec. 77-3446*, if any, due to improvements to real property as a result of new construction, additions to existing buildings, any improvements to real property which increase the value of the property, any increase in valuation due to annexation and any increase in personal property valuation over the prior year. LB943 would strike the *in excess of the 2.5% “base limitation” established under Sec. 77-3446* element of the allowable budget growth definition in Sec. 13-518. This change effectively would represent a prospect that affected political subdivisions could adopt budgets up to 2.5% in excess of the level authorized under current law. However, such a prospect would be contingent upon the extent to which (1) the affected political subdivisions experience “new” valuation growth and (2) the extent to which applicable political subdivision governing bodies would act to utilize the related additional budget authority.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 943	AM:	AGENCY/POLT. SUB: City of Lincoln	
REVIEWED BY: Lyn Heaton	DATE: 1/24/2018	PHONE: 402) 471-4181	
COMMENTS: The fiscal impact on the City of Lincoln is indeterminate as the change in the amount of property tax revenue levied by the city is dependent on future decisions of the governing body.			

Please complete ALL (5) blanks in the first three lines.

2018

LB⁽¹⁾ 943

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ Brandon Kauffman Date Prepared: ⁽⁴⁾ 1/26/18 Phone: ⁽⁵⁾ 402-441-7412

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB943 is important to growing communities to allow for new construction within the restricted funds formula. Currently, and regardless of growth, government units are limited to the 2.5% growth. Government units can only account for new construction if it amounts to at least 2.5% of total valuation and even then, the governmental unit is limited to the percentage of increase above 2.5%. New construction typically amounts to 1-2% as a % of total valuation. Within the last 10 years new construction has not eclipsed 2.5%. At the same time though Lincoln has grown at approximately 1 square mile per year and added 3,400 residents. Inflation and costs to provide services are outpacing the basic allowable growth of 2.5%.

The fiscal impact of LB 943 will depend, in part, on the percentage of total valuation that is attributed to new construction.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2018

LB⁽¹⁾ 943

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1-17-18 Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The change to expenditures and revenues is unknown for Lancaster County at this time. The base amount for the lid on restricted funds will be able to grow at a higher percentage but the County Board will still need to go through the annual budget process to determine what the restricted funds will be versus what will be the amount of unused authority.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____