

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2022-23		FY 2023-24	
	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.

LB 873 changes provisions related to property tax levies. Beginning in FY22-23, LB 873 eliminates the property tax levy for general operating expenditures and limits community colleges to a property tax levy of two cents per \$100 dollars of taxable valuation for paying off bonds and establishing a capital improvement and bond sinking fund.

Specifically, two scenarios allowing a community college to exceed their levy limit are described in the bill as follows:

- a) To retire general obligation bonds assumed or issued pursuant to 85-1515; or
- b) The payment of general obligation bonds assumed or issued pursuant to 85-1515 prior to Jan 1, 1997.

Section 85-1515 relates to revenue bonds or general obligation bonds issued to acquire or alter capital assets.

LB 873 carries the emergency clause.

The Nebraska Community College Association (NCCA) estimates significant revenue losses due to LB 873. NCCA estimates a revenue loss, related to the property tax levy for operating expenditures, of \$202,459,516 in FY23 and \$208,533,302 in FY24 across the 6 Nebraska community colleges. In the absence of an increase in state aid to replace this revenue, we assume a corresponding reduction in expenditures for all community colleges.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 873	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue
REVIEWED BY: Gary Bush	DATE: 2/8/22	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the agency's estimate of impact.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 873 (revised)	AM:	AGENCY/POLT. SUB: Nebraska Community College Association
REVIEWED BY: Gary Bush	DATE: 1/31/22	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the agency's estimate of the property tax revenue decrease that could occur if the bill is enacted and the levy limit was decreased from 11% to 2%.		
TECHNICAL NOTE: The revenue loss would not be State General Funds.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 873	AM:	AGENCY/POLT. SUB: Lancaster County
REVIEWED BY: Gary Bush	DATE: 1/14/22	PHONE: (402) 471-4161
COMMENTS: No basis to disagree with the agency's estimate of fiscal impact.		

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

2022

LB⁽¹⁾ 873 REVISED

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Community College Association

Prepared by: ⁽³⁾ Ryan Purdy and Courtney Wittstruck Date Prepared: ⁽⁴⁾ Jan. 19, 2022 Phone: ⁽⁵⁾ 402-381-2084

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		- 202,459,516		-208,533,302
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		- 202,459,516		-208,533,302

Explanation of Estimate:

For 2021-22, the six community colleges requested \$194,450,639 in local property taxes to fund general operations and Central Community College requested \$2,111,998 in local property taxes to fund accessibility barrier elimination project cost and abatement of environmental hazards for a total of \$196,562,637. The levy authority of the six locally elected board of the community colleges to request these local property taxes is eliminated in LB873. The estimate for this fiscal note is calculated based on a 3% increase to the 2020-21 property tax request for FY 2022-23 and a 3% increase for FY 2023-24. The 2021-22 property tax requests were those reported on the submitted Uniform Budget Documents to the Nebraska Auditor of Public Accounts.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</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.

2022

LB⁽¹⁾ 873

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1-12-22 Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2022-23</u>		<u>FY 2023-24</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:

No Fiscal Impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____