

Doug Gibbs January 24, 2011 471-0051

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *							
	FY 2011-		FY 2012-13				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS	See Below		See Below				
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	See Below		See Below				

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

LB 96 amends Nebraska Revised Statute Section 77-27,137.03, regarding state aid to counties, to change the county aid formula.

The bill would lower the base factor in the formula from .0075 percent to 0 percent. This would allow a minimum calculated appropriation of zero.

The Department of Revenue estimates, based on the current minimum appropriation of .0075% of statewide property tax valuation, that LB 96 could result in a decrease in General Fund appropriation of up to the following:

FY2011-12 (\$11,550,386) FY2012 -13 (\$12,000,000) FY2013-14 (\$12,400,000) FY2014-15 (\$12,800,000)

The above calculation is based on the actual property tax valuation for 2010, and estimates a 3.5% increase for the next three fiscal years. It is also based on the premise that the appropriation is at the lowest possible level.

The Department indicates there would be no cost to implement this bill.

The county aid program was originally created by LB 218 (2009) and is to become operative on July 1, 2011. LB 218 combined three aid programs: the County Property Tax Relief Program, the general aid to counties distribution, and the jail reimbursement program. The fiscal impact of LB 218 was estimated at the time of passage as \$11,358,026 for the first year of operation if funded at the base factor level.

We agree with the Department of Revenue's estimate of fiscal impact and cost and also note that LB 96 could also leave the appropriation at its current level or even higher given that the upper factor, .0125% remains in place. LB 96 would allow the Legislature to appropriate any amount determined by the formula within that range, from \$0 to approximately \$19,250,000.

REVIEWED BY	Lyn Heaton	DATE 1/26/11	PHONE 471-2526	
COMMENTS				7
DEPT. OF REVENUE - No basis upo	n which to disagree.			
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Fiscal Note

2011

State Agency Estimate							
State Agency Name: Department	of Revenue				Date Due LFA:	1/19/11	
Approved by: Douglas Ewald		Date Prepared:	1/12/11		Phone: 471-5700		
	FY 2011 Expenditures	-2012 Revenue	FY 2012 Expenditures	2-2013 Revenue	FY 20 Expenditures	13-2014 Revenue	
General Funds Cash Funds Federal Funds Other Funds Total Funds	(See Below)		(See Below)		(See Below)		

LB 96 changes the minimum aid that a county may receive under the Aid for Counties program by allowing the minimum calculated appropriation to equal zero.

The Tax Commissioner still determines the amount to be distributed to each county and certify such amounts before July 1 every year.

Based upon the current minimum appropriation of .0075% of statewide property tax valuation, it is estimated that LB 96 could result in a decrease in General Fund expenditures up to the following amounts:

FY 2011-12	(\$ 11,550,386)
FY 2012-13	(\$ 12,000,000)
FY 2013-14	(\$ 12,400,000)
FY 2014-15	(\$ 12,800,000)

This calculation is based on the actual property tax valuation for 2010, and estimating a 3.5% increase for the three following years. It is also based upon the premise that the appropriation is at the lowest possible level.

It is estimated that there would be no costs to the Department to implement this bill.

The operative date for this bill is July 1, 2011.

	Maj	or Objects of F	expendit	ure		· · · · · · · · · · · · · · · · · · ·	
Class Code	Classification Title	11-12 FTE	12-13 <u>FTE</u>	13-14 <u>FTE</u>	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures
Operating Costs							
Capital Outlay							
Capital Improvements							