Doug Gibbs January 24, 2011 471-0051

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	(\$1,064,566)		(\$1,064,566)				
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	(\$1,064,566)		(\$1,064,566)				

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

LB 119 amends several sections of Nebraska statute to change provisions relating to state aid to municipalities.

The bill would limit state aid to those incorporated municipalities with a property tax levy, not including bonds, that is at least 75 percent of the state average levy, not including bonds. The Tax Commissioner is to determine the eligible municipalities and certify the amount to be distributed to the Director of Administrative Services. The amount to be distributed cannot exceed \$9,900,000.

The bill has an operative date of July 1, 2011 and contains the emergency clause.

The Department of Revenue indicates LB 119 will cause a decrease in General Fund expenditures as follows:

FY 2011-12: (\$1,064,566) FY 2012-13: (\$1,064,566) FY2013- 14: (\$1,064,566)

FY2013- 14. (\$1,064,566) FY2014-15: (\$1,064,566)

The Department estimates there will be no costs to implement LB 119.

There is no basis to disagree with the Department of Revenue's estimate of expenditure or cost.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE 1/25/11	PHONE 471-2526
COMMENTS			
			}
DEPARTMENT OF REVENUE: No b	asis upon which to disagree.		
DEFARTMENT OF REVENUE. NO D	asis upon which to disagree.		

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LB 119 Fiscal Note 2011

		State Agency	Estimate			
State Agency Name: Department	of Revenue				Date Due LFA:	1/18/2011
Approved by: Douglas Ewald		Date Prepared:	1/13/2011		Phone: 471-5700	
	FY 2011-2012		FY 2012-2013		FY 2013-2014	
	Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue
General Funds	(\$1,064,566)		(\$1,064,566)		(\$1,064,566)	
Cash Funds						
Federal Funds					_	
Other Funds						
Total Funds	(\$1,064,566)		(\$1,064,566)		(\$1,064,566)	

LB 119 amends §77-27,137.01 to limit state aid to those incorporated municipalities, cities, and villages with a property tax levy (excluding bonds) that is at least 75% of the state average nonbond levy. Currently aid to municipalities is based only on population.

The distribution method would not change under LB 119, except that the denominator of the fraction would be limited to the population of the cities and villages that are eligible to receive the aid.

LB 119 also limits the total aid to \$9.9 million annually.

It is estimated that this bill would cause a decrease in General Fund expenditures as follows:

FY 2011-12	(\$ 1,064,566)
FY 2012-13	(\$ 1,064,566)
FY 2013-14	(\$ 1,064,566)
FY 2014-15	(\$ 1,064,566)

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, and carries the emergency clause.

Major Objects of Expenditure								
Class Code	Classification Title	11-J2 <u>FTE</u>	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures	
Benefits								
perating Costs								
Capital Outlay								
.id					(\$1,064,566)	(\$1,064,566)	(\$1,064,566)	
apital Improvements								
otal	•••••				(\$1,064,566)	(\$1,064,566)	(\$1,064,566	