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PREPARED BY: Doug Gibbs
DATE PREPARED: February 10, 2012
PHONE: 402-471-0051

LB 967

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 967 amends Nebraska Revised Statutes Section 45-104.01 to change the interest rate on delinquent tax payments or special assessments owed to a political subdivision from the current rate of 14% to a new rate of 10% per annum.

The Department of Revenue indicates that the bill will have a minimal impact on the Property Assessment Division, to the extent cash fund collections on delinquent car line and air carrier taxes would be reduced through the reduced interest rate.

The Department indicates no cost to implement LB 967.

We agree with the Department's estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials has provided an example of potential loss affecting one county, Sarpy County. NACO estimates a general fund loss of \$19,155, that would be attributed to the county. They also project a loss of \$74,096 to school districts; a loss of \$35,430 to the cities in the county; and a loss of \$2,177 attributed to miscellaneous entities. This adds up to a total estimated loss of \$130,858 for Sarpy County. It is estimated that the other political subdivisions in the state would incur similar and proportional losses.

We have no basis to disagree with NACO's estimate of fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/14/12	PHONE	471-2526
COMMENTS					
NEBRASKA ASSOCIATION OF COUNTY OFFICIALS (NACO): No basis upon which to disagree. DEPARTMENT OF REVENUE: The department's analysis appears reasonable.					

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

LB⁽¹⁾ 967 FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/17/2012 Phone: ⁽⁵⁾ 402.434.5660, ext. 225

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	(19,155)	_____	See 2012-2013
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	(111,702)	_____	See 2012-2013
TOTAL FUNDS	=====	(130,857)	=====	See 2012-2013

Return by date specified or 72 hours prior to public hearing, whichever is earlier.
 Explanation of Estimate:

LB 967 lowers the interest rate from 14 to 10 percent for delinquent taxes and special assessments. The amount shown for the projected loss in revenue is for Sarpy County. The General Fund loss is for the county. The schools in Sarpy County are projected to lose \$74,096, the cities in Sarpy County would lose \$35,430 and miscellaneous entities \$2,177. Counties, schools, cities and taxing entities throughout the state would lose revenue in the upcoming as illustrated by this limited data.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

LB 967

Fiscal Note 2012

State Agency Estimate

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LEGISLATIVE FISCAL

State Agency Name: Department of Revenue Date Due LFA: 1/18/2012
 Approved by: Douglas Ewald Date Prepared: 1/12/2012 Phone: 471-5700

	<u>FY 2012-2013</u>		<u>FY 2013-2014</u>		<u>FY 2014-2015</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds						
Cash Funds						
Federal Funds						
Other Funds						
Total Funds						

LB 967 amends Neb. Rev. Stat. § 45-104.01 to reduce the interest rate on delinquent payments of any taxes or special assessments from 14 percent to 10 percent per year.

LB 967 will have a minimal impact on the Property Assessment Division, to the extent that cash fund collections on delinquent car line and air carrier taxes would be reduced through the reduced interest rate. The bill will affect counties and political subdivisions, to the extent that any interest collected will be reduced.

The Department will have no costs to implement the bill.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>12-13 FTE</u>	<u>13-14 FTE</u>	<u>14-15 FTE</u>	<u>12-13 Expenditures</u>	<u>13-14 Expenditures</u>	<u>14-15 Expenditures</u>