PREPARED BY: Doug Gibbs & Sandy

Sostad

DATE PREPARED: February 05, 2016 PHONE: 402-471-0051 LB 1042

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	16-17	FY 2017-18				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS			(\$21,000,000)				
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS			(\$21,000,000)				

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

LB 1042 amends the Community Development Law Section 18-2116 and the Tax Equity and Educational Opportunities Support Act (TEEOSA) Section 79-1016.

Section 18-2116 is amended by adding language that requires prior approval by the county board of equalization of any redevelopment plan that includes the use of tax-increment financing (TIF) before approval of the plan by the governing board of the municipality.

The county board of equalization may approve the plan if it meets all statutory requirements for TIF under the Community Development Law.

Section 79-1016 is amended to add language that changes the property valuation information certified by the Property Tax Administrator to the Department of Education used to determine the adjusted valuation of school districts for purposes of allocating state aid through TEEOSA. New language requires that excess valuation for properties that qualify for TIF will be included in the assessed valuation of school districts for state aid purposes.

Including the excess valuation to determine the adjusted valuation will decrease state aid paid through the TEEOSA formula. School districts with property in the TIF program will have decreased state aid.

The Department of Revenue has indicated minimal costs to the Department to implement the provisions of LB 1042.

We agree with the Department's estimate of cost.

LB 1042 Fiscal Note 2016

State Agency Estimate							
State Agency Name: Department of			Date Due LFA:	2/5/2016			
Approved by: Tony Fulton		Date Prepared:	2/2/2016		Phone: 471-5896		
	FY 2016-2017		FY 2017-2018		FY 2018-2019		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds							
Cash Funds							
Federal Funds							
Other Funds							
Total Funds							

LB 1042 provides increased oversight of tax increment financing (TIF) projects by county boards.

Section 1 amends Neb. Rev. Stat. § 18-2116 to provide that the governing body, usually the city council may approve a redevelopment plan if it has been approved by the county board of the county that would be directly affected by the TIF. The county board may approve the plan if it meets all statutory requirements for TIF.

Section 2 amends § 79-1016 to require the county assessor to include the current assessed valuation of TIF projects, rather than the TIF base value, on the school district taxable value report required to be certified to the Property Tax Administrator on or before August 25 each year.

It is estimated that there will be minimal costs to the Department to implement this bill.

Any changes in property values and taxes levied impacts the calculations for TEEOSA which may impact General Fund revenues.

Major Objects of Expenditure							
Class Code	Classification Title	16-17 <u>FTE</u>	17-18 <u>FTE</u>	18-19 <u>FTE</u>	16-17 <u>Expenditures</u>	17-18 <u>Expenditures</u>	18-19 Expenditures
Benefits	Benefits.						
Operating Costs	Operating Costs.						
Travel							
Capital Outlay							
4 * 4							,
Capital Improvemen	nts						,
Total							

LB ⁽¹⁾ 1042	2					FISCAL NOTE				
State Agency OR Political Subdivision Name: (2)		Nebra	Nebraska Association of County Officials (NACO)							
Prepared by: (3)	Elaine Menzel	Date P	repared: (4)1	/25/2016	Phone: (5)	402.434.5660				
	ESTIMATE PRO	VIDED BY ST	ATE AGENCY	OR POLITICAL	SUBDIVISIO)N				
	1	FY 2016-17			FY 2017	-18				
	<u>EXPENDITUR</u>		<u>EVENUE</u>	EXPENDIT		REVENUE				
GENERAL FUN	DS	<u> </u>								
CASH FUNDS		<u></u>								
FEDERAL FUN	DS									
OTHER FUNDS	3	<u> </u>								
TOTAL FUNDS										
Explanation of E	Sstimate:									
approve a plan	d allow county boards of if it meetings all statuto ive provisions of this bi	ory requireme II.	nts. The fisca	l impact would	be insignific	_				
Personal Service		<u>OWN BY MAJ</u>	OR OBJECTS	<u>OF EXPENDITU</u>	<u>JRE</u>					
	TION TITLE	NUMBER OF <u>16-17</u>	POSITIONS <u>17-18</u>	2016-1 EXPENDIT		2017-18 EXPENDITURES				
Benefits										
Operating										
Travel										
Capital outlay										
Aid										
Capital improve	ments									
TOTAL										