

PREPARED BY: Scott Danigole
DATE PREPARED: January 28, 2021
PHONE: 471-0055

LB 509

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	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 509 changes certain sections of statute that currently make reference to drawing of warrants and replaces that language to allow for electronic funds transfers and eliminates certain references to transfers that have occurred in the past and are not recurring.

Section 21 adds promoting financial literacy to the duties of the State Treasurer.

No fiscal impact.

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

2021

LB⁽¹⁾ 509

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – State Accounting

Prepared by: ⁽³⁾ Philip Olsen Date Prepared: ⁽⁴⁾ January 21, 2021 Phone: ⁽⁵⁾ 402-471-0600

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB 509 does not have a fiscal impact on the Department of Administrative Services – State Accounting.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>21-23</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.

2021

LB⁽¹⁾ 509

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Agriculture

Prepared by: ⁽³⁾ Patty Richard Date Prepared: ⁽⁴⁾ 1/26/2021 Phone: ⁽⁵⁾ 402-471-6821

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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 to the Agency.

The shift of fee collection from the State Treasurer to NDA would approximately double the volume of transactions handled by the NDA staff dedicated to the program and would be absorbed in the current fee collection processes currently in place at the department.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</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.

2021

LB⁽¹⁾ 509

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Insurance

Prepared by: ⁽³⁾ Thomas Green Date Prepared: ⁽⁴⁾ 1/27/2021 Phone: ⁽⁵⁾ 402-471-4650

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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 on the Department of Insurance is expected as a result of LB 509.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:				
Approved by: Tony Fulton				Date Prepared: 1/27/2021		Phone: 471-5896		
<u>FY 2021-2022</u>				<u>FY 2022-2023</u>		<u>FY 2023-2024</u>		
	<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>
General Funds								
Cash Funds		Minimal			Minimal			Minimal
Federal Funds								
Other Funds								
Total Funds								

LB 509 repeals the Municipal Infrastructure Redevelopment Fund Act (Act) under Neb. Rev. Stat. §§ 18-2601 to 18-2609. Neb. Rev. Stat. § 13-518 is amended to remove from the meaning of state aid, the state aid paid to municipalities under the Act. The bill also amends § 77-3,119 to remove the requirement for the Tax Commissioner to certify the population of cities and villages for calculations under the Act. Section 77-2602 is amended to eliminate the Legislature's finding that the Act is of critical importance to Nebraska and removes references to the Municipal Infrastructure Redevelopment Fund in the statute.

LB 509 repeals outright the State Building Fund in § 72-1005, and Neb. Rev. Stat. § 79-1034, the requirement for county treasurers to collect fines and all money for school purposes in his or her county and pay the funds and money to the State Treasurer.

LB 509 removes the Information Technology Infrastructure Fund from the list of priority funds for distributions of cigarette tax proceeds in § 77-2602, and amends § 86-527 to remove from the Informative Technology Infrastructure Fund revenue received from the special privilege tax under § 77-2602.

The bill amends § 57-705 to change the timing of the credits made to the Severance Tax Administration Fund and the permanent school fund by the State Treasurer to the last day of each month, instead of the first day of the month.

The bill amends Neb. Rev. Stat. § 54-603 to require counties, cities or villages that impose a license tax on owners of cats or dogs to remit \$0.03 of the \$1.25 fee collected by the licensing jurisdiction to the Department of Agriculture, who must then remit the balance to the State Treasurer for credit to the Commercial Dog and Cat Operator Inspection Program Fund. The fee to the Department of Agriculture must be remitted annually at fiscal year-end, provided the amount collected is more than \$50.

LB 509 changes duties and payments of the State Treasurer. Neb. Rev. Stat. § 84-602 is amended to remove the duty of the Treasurer to render the enumerated, full statements to the Department of Administrative Services and adds the duty of promoting financial literacy.

Major Objects of Expenditure

Class Code	Classification Title	FTE			Expenditures		
		21-22	22-23	23-24	21-22	22-23	23-24
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							

Amendments to § 77-4212 will require returned amounts of the real property tax credit that cannot be used by taxpayers to the Property Tax Administrator, rather than the State Treasurer; and the Property Tax Administrator must immediately credit the returned funds to the Property Tax Credit Cash Fund.

The bill requires the Director of Administrative Services, instead of the State Treasurer, to make all disbursements from the Highway Trust Fund by electronic funds transfer. In addition, Neb. Rev. Stat. § 77-27,139.04 is amended to require the Director of Administrative Services to pay municipalities electronically.

LB 509 eliminates, in Neb. Rev. Stat. § 77-3523, the requirement for the State Treasurer to notify the Director of Administrative Services of the amount of funds available for payments in the General Fund for the certified tax revenue lost due to the homestead exemption, and requires the Director of Administrative Services to issue payments reimbursing these amounts by electronic funds transfer. The bill removes the requirements for the State Treasurer to make certifications in §§ 79-1044, 79-1047, and 79-1051. In addition, LB 509 requires the Director of Administrative Services to make payments and eliminates drawing a warrant on the State Treasurer in §§ 79-1035, 79-1044, 79-1047, 79-1501.

Section 60-396 is amended to require the county treasurer to determine the amount of and issue to the owner the credit for a registration fee and motor vehicle tax and fee, when the owner files an application that a motor vehicle, trailer, or semitrailer has been disabled or removed from service and registers no replacement. The bill also changes the name of the Motor Vehicle Tax Fund to the Highway Tax Fund and harmonizes the provisions in Neb. Rev. Stat. § 60-3,202 accordingly.

The bill amends Neb. Rev. Stat. § 44-2839 to require the Department of Insurance to be reimbursed from the Excess Liability Fund for necessary expenses incurred in the administration of the Nebraska Hospital-Medical Liability Act, and requires the Director of Insurance to certify the expenses to the State Treasurer, instead of the Director of Administrative Services, who will reimburse the Department of Insurance for such services.

Neb. Rev. Stat § 81-118 is amended to require that the state treasury is paid in accordance with Neb. Rev. Stat. § 84-710. LB 509 amends Neb. Rev. Stat. § 77-2205, and eliminates the registration requirement on certain warrants that the State Treasurer is unable to pay.

LB 509 eliminates obsolete provisions in §§ 57-705, 77-2602, 82-331, 84-612.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department to implement this bill.

The operative date for this bill is three months after adjournment.

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

2021

LB⁽¹⁾ 509

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ January 27, 2021 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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:

The State Treasurer's Office doesn't expect any fiscal impact from LB 509 to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____