

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB440 amends several sections to change provisions relating to certain school taxes & special funds.

On or after the effective date of this bill, public school districts can establish a fund for the following purposes:

- Major infrastructure updates on existing structures owned or leased by the school district, including: heating, ventilation, & air conditioning; roofs; safety requirements; & repairs
- The alteration, equipping, & furnishing of school buildings or teacherages
- The purchase or erection of buildings of less than twelve hundred square feet of floor space used exclusively for storage or utility purposes with a total value of less than twelve hundred dollars.

The fund created will be established from the proceeds of an annual tax levy, that will be determined by the district’s school board, not to exceed fourteen cents on each one hundred dollars of taxable value in that school district. The tax will be levied & collected in the same manner as other taxes levied for school purposes.

On & after the effective date of this act, the school board or board of education of any school district with the approval of the legal voters of that school district can establish a special fund for the following purposes:

- Acquiring sites for school buildings or teacherages
- Purchasing existing buildings for use as teacherages, including the sites upon which the buildings are located
- Purchasing or entering into a lease-purchase agreement for relocating classroom buildings
- Erecting, purchasing, or entering into a lease-purchase agreement for a new school building or an addition to a school building for elementary or secondary schools
- Completing any projects that require an annual tax levy that exceeds six cents on each one hundred dollars of taxable value of all taxable property in the district

The school board or board of education of a school district will submit for approval any proposed special fund & annual tax to be established to the legal voters of the school district at a general election or a special election held for that purpose. The special fund & annual tax will not be established without the approval of a majority of the legal voters voting on the issue. The ballot language will include the maximum for the annual tax levy per one hundred dollars of taxable valuation & the purpose for which the fund will be used.

On or before October 1, 2023, the school board or board of education of any school district that levied an annual tax for FY2022-23 will file with the Auditor of Public Accounts a statement describing any projects for which an annual tax may be continued, the rate levied for FY2022-23 attributable to the project, & the anticipated completion date for each the project.

**EXPENDITURES:**

No fiscal impact to the State but there could be an impact to school districts, which would vary by district. That impact cannot be determined at this time.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 440 AM: AGENCY/POLT. SUB: Nebraska Department of Education

REVIEWED BY: Gary Bush DATE: 1/19/23 PHONE: (402) 471-4161

COMMENTS: Agree with the agency that there would be no fiscal impact to the agency. Disagree that some school districts would not be able to maintain current facilities as the school board would make the resources available to do so.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 440 AM: AGENCY/POLT. SUB: Nebraska Department of Revenue

REVIEWED BY: Gary Bush DATE: 2/8/23 PHONE: (402) 471-4161

COMMENTS: Agree with the agency on the fiscal impact of the bill to the agency.  
The bill could result in increased property taxes as more levy authority is moved outside the max levy limit of \$1.05.

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

**2023**

**LB<sup>(1)</sup> 440**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> NE Dept of Education

Prepared by: <sup>(3)</sup> Bryce Wilson Date Prepared: <sup>(4)</sup> 1/18/23 Phone: <sup>(5)</sup> 402-471-4320

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 440 limits the uses and taxing amount in the building fund used by schools for purchasing land or buildings, construction, or other infrastructure projects.

This bill would require a school district to have a vote of their patrons to be able to use the building fund for purchasing land or buildings, building facilities larger than twelve hundred square feet used for anything other than storage or utility purposes or work on current facilities if a levy exceeding six cents is required. With a successful vote, districts would be allowed to tax up to fourteen cents in the building fund for these purposes.

The building fund would still be able to be used for infrastructure updates on current buildings or facilities up to six cents without going to a vote of the patrons.

No fiscal impact to NDE or the State. Some school districts may not have the ability to maintain current facilities or update facilities if this bill is passed.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

