

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2025-26</b>		<b>FY 2026-27</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		See below		
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS		See below		
TOTAL FUNDS				

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

LB 130 amends section 77-4602 regarding automatic transfers to the Cash Reserve Fund from the General Fund if actual fiscal year net receipts exceed estimated net receipts (certified forecast). LB 130 reinstates a similar formula to that previously enacted in LB 638 (2019), which was in effect for FY2023-24.

Current forecasted net receipts for FY25 are \$100 million more than certified forecast (certification in October of 2024 under 77-4603(2)). Under current law, this \$100 million is to be credited to the Cash Reserve Fund.

Under this bill, this \$100 million is the amount calculated under subsection (3)(a)(i). The calculation in subsection (3)(a)(ii) is estimated at this time to be a negative number. Under subsection (3)(b), \$100 million would be transferred to the Cash Reserve Fund at the beginning of FY2025-26.

However, the language in subsection (3)(d) operates as a cap on the amount that would be automatically transferred to the Cash Reserve Fund, reducing the transfer so that the balance in the Cash Reserve Fund does not exceed 16% of total budgeted General Fund expenditures, excluding any reappropriated amounts or encumbrances. For purposes of this fiscal note, we utilize the General Fund new appropriations for FY2025-26 on the current General Fund financial status (\$5.569 billion) and the estimated balance of the Cash Reserve Fund on July 1, 2025 (\$877.2 million). The estimated balance in the Cash Reserve Fund on July 1, 2025, at this point in time, is 15.75% of FY2025-26 General Fund new appropriations. The transfer from the General Fund would be reduced from \$100 million to \$13.9 million, a reduction of \$86.1 million, so the balance in the Cash Reserve Fund does not exceed 16% of FY2025-26 General Fund new appropriations. The \$86.1 million would be retained in the General Fund.

At this point in time, there is no fiscal impact for future fiscal years as there is no estimate that actual revenue would exceed the revenue forecast and a certified forecast under 77-4601 is not completed for each fiscal year until the beginning of such year.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 130	AM:	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY: Ryan Yang	DATE: 1/17/2025	PHONE: (402) 471-4178	
COMMENTS: The State Treasurer assessment of no fiscal impact from LB 130 appears reasonable.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 130	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang	DATE: 3/10/2025	PHONE: (402) 471-4178	
COMMENTS: The Department of Revenue assessment of no fiscal impact from LB 130 appears reasonable.			

**State Agency Estimate**

State Agency Name: Department of Revenue Date Due LFO:  
Approved by: James R. Kamm Date Prepared: 03/07/2025 Phone: 471-5896

	<u>FY 2025-2026</u>		<u>FY 2026-2027</u>		<u>FY 2027-2028</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
<b>Total Funds</b>		<b>\$ 0</b>		<b>\$ 0</b>		<b>\$ 0</b>

LB 130 amends Neb. Rev. Stat. § 77-4602(3)(a) to require the Tax Commissioner to determine the following within 15 days after the end of each fiscal year:

- (i) Actual General Fund net receipts for the most recently completed fiscal year minus estimated General Fund net receipts for such fiscal year as certified under §§ 77-4601 and 77-4603; and
- (ii) 50% of the product of actual General Fund net receipts for the most recently completed fiscal year times the difference between the annual percentage increase in the actual General Fund net receipts for the most recently completed fiscal year and the average annual percentage increase in the actual General Fund net receipts over the 20 previous fiscal years, excluding the year in which the annual percentage change in actual General Fund net receipts is the lowest.

If the number under section 77-4602(3)(a)(i) is a positive number, the Tax Commissioner must immediately certify the greater of the two numbers determined under subdivision (3)(a) to the Director of Administrative Services. The State Treasurer must transfer the certified amount from the General Fund to the Cash Reserve Fund upon certification by the director. The transfer must be made as follows:

- (i) An amount equal to the amount determined under subdivision (3)(a)(i) must be transferred immediately; and
- (ii) The remainder, if any, must be transferred by the end of the subsequent fiscal year.

If the required transfer causes the Cash Reserve Fund balance to exceed 16% of the total budgeted General Fund expenditures, excluding any reappropriated amounts or encumbrances, for the current fiscal year, such transfer must be reduced so that the balance of the Cash Reserve Fund does not exceed such amount.

Nothing in Neb. Rev. Stat. § 77-4602(3), as amended by LB 130, prohibits the balance in the Cash Reserve Fund from exceeding 16% of the total budgeted General Fund expenditures, excluding any reappropriated amounts or encumbrances, each fiscal year if the Legislature determines it is necessary to prepare for and respond to budgetary requirements which may include, but are not limited to, capital construction projects and responses to emergencies.

LB 130 is estimated to have no impact on the General Fund revenues and no cost to the Nebraska Department of Revenue.

**Major Objects of Expenditure**

<u>Class Code</u>	<u>Classification Title</u>	FTE			Expenditures		
		<u>25-26</u>	<u>26-27</u>	<u>27-28</u>	<u>25-26</u>	<u>26-27</u>	<u>27-28</u>
<b>Total</b>							

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**2025**

**LB<sup>(1)</sup> 130**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters Date Prepared: <sup>(4)</sup> January 15, 2025 Phone: <sup>(5)</sup> 402-471-2793

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

	<u>FY 2025-26</u>		<u>FY 2026-27</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 130 to the office.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____