

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	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 85 would authorize municipalities to create by ordinance urban growth districts for the purpose of using local option sales and use tax revenue to finance infrastructure needs.

The bill would allow any municipality that has established an urban growth district to issue urban growth bonds and refunding bonds to finance the construction or improvement of roads, streets, streetscapes, bridges, related structures, parks, and other public infrastructure within the urban growth district and any other area of the municipality. Such a district could only be established within the municipality's current corporate limits but outside the corporate limits as they existed on January 1, 1988.

The urban growth bonds issued by the municipality would be secured by the pledge of the urban growth local option sales and use tax revenue and would not mature until twenty-five years after date of issue.

Urban growth local option sales and use tax revenue is defined by the bill as the municipality's total local option sales and use tax revenue multiplied by the ratio of the area included in the urban growth district to the total area of the municipality.

The bill also provides that bonds issued under this authority are not subject to any charter or statutory limitations of indebtedness or restrictions on the power of municipalities to issue bonds. Municipalities which issue these bonds are required to levy property taxes upon all taxable property in the municipality, within any limitation set by charter, statute, or the constitution, that together with the urban growth sales and use tax revenue is sufficient to pay the principal and interest on the bonds as they mature.

There appears to be no fiscal impact to the state associated with LB 85

IMPACT TO POLITICAL SUBDIVISIONS:

With respect to political subdivisions, the bill by itself does not cause any additional expenditures or revenues but authorizes the earmarking of existing and/or future revenue.