

PREPARED BY: Mike Lovelace
 DATE PREPARED: February 18, 2009
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LB 323

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below for future impact		See below for future impact	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 323 changes the allocation of revenue received from the motor vehicle tax. Specifically, the allocation to schools is reduced from 60% to 55%, with this 5% being reallocated to counties, cities and villages for use on road and street maintenance and improvement.

It is estimated that the shift in revenue from schools to counties/cities/villages will be approximately \$5 million in FY09-10 due to the January 1, 2010 operative date, and \$10 million in FY10-11. The additional revenue allocated to counties, cities and villages will be used for street and road maintenance/improvements.

The loss of motor vehicle tax revenue to schools will be replaced by General Funded state aid two years after the loss for those school districts that are equalized. It is estimated that General Fund expenditures for school aid will increase \$4.45 million in FY11-12, and \$8.9 million in FY12-13. For those school districts that are non-equalized the estimated loss of revenue of \$575,000 in FY09-10, and \$1.1 million in FY10-11, will not be replaced with state aid.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/20/09
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COMMENTS			
CITY OF OMAHA: No basis upon which to disagree with the agency estimate.			