

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			
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS	See below		See below	
TOTAL FUNDS	See below	See below	See below	See below

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

Legislation enacted in 1998 (LB1100) provided, with certain exclusions, that in the year following completion of a state agency capital construction project, the Department of Administrative Services (DAS) was to annually thereafter assess depreciation charges to the relevant state agency on the basis of 2% of the total project cost. In the case of acquisition of an existing facility, the depreciation charge was based upon 2% of the greater of the acquisition price or the value of the facility as determined by DAS. LB410, enacted in 2003, suspended these charges for FY2003-04. LB1092, enacted in 2004, suspended the charges for 2004-05 and provided for reinstatement of the charges at a 1% rate for 2005-06. The charges have remained at this 1% rate through the current fiscal year, 2008-09. Amounts remitted by state agencies for these 'LB1100' depreciation charges are credited, as applicable, to the State Building Renewal Assessment Fund (Sec. 81-188.01), University Building Renewal Assessment Fund (Sec. 81-188.03), and State College Building Renewal Assessment Fund (Sec. 81-188.05). The funds are administered by the "309" Task Force for Building Renewal (a division of DAS). In general terms, amounts from the respective funds are authorized to be expended for building renewal projects and other building improvements incident to approved building renewal projects.

LB318 would suspend assessment of 'LB1100' depreciation charges for 2009-10 and 2010-11. Under provisions of the bill, the depreciation charges would resume at the 1% rate for 2011-12 and future years. As such, the bill would result in a reduction of revenue accruing to the three building renewal assessment (cash) funds in the amounts estimated below. Correspondingly, affected state agencies would avoid expenditures for depreciation charges in like amounts. Expenditures by state agencies for such charges are predominantly General Fund supported although, to a lesser degree, related charges are supported with other fund sources. As indicated above, depreciation charges accruing to the respective building renewal assessment funds are authorized to be expended for building renewal projects and other improvements incident to approved building renewal projects. Reduction of these charges as proposed by LB318 will result in corresponding reductions in amounts available to be expended for building renewal projects.

Under current law, the following amounts are estimated to be assessed by DAS as 'LB1100' depreciation charges and remitted by various agencies to DAS for credit to the three building renewal assessment funds:

	@ 1% Rate 2008-09	@ 1% Rate 2009-10	@ 1% Rate 2010-11
State Building Renewal Assessment (Cash) Fund	1,396,149	1,396,149	1,396,149
University Building Renewal Assessment (Cash) Fund	3,771,149	6,166,106	7,751,634
State College Building Renewal Assessment (Cash) Fund	530,060	750,984	750,984
	<u>5,697,358</u>	<u>8,313,239</u>	<u>9,898,767</u>

Under LB318, these charges are estimated as follows:

	@ 1% Rate 2008-09	No Charges 2009-10	No Charges 2010-11
State Building Renewal Assessment (Cash) Fund	1,396,149	-0-	-0-
University Building Renewal Assessment (Cash) Fund	3,771,149	-0-	-0-
State College Building Renewal Assessment (Cash) Fund	530,060	-0-	-0-
	<u>5,697,358</u>	<u>-0-</u>	<u>-0-</u>

Estimated reduction in charges - LB318 vs. current law:

	2008-09	2009-10	2010-11
State Building Renewal Assessment (Cash) Fund	-0-	(1,396,149)	(1,396,149)
University Building Renewal Assessment (Cash) Fund	-0-	(6,166,106)	(7,751,634)
State College Building Renewal Assessment (Cash) Fund	-0-	(750,984)	(750,984)
	<u>-0-</u>	<u>(8,313,239)</u>	<u>(9,898,767)</u>