

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 96 amends Nebraska Revised Statute Section 77-27,137.03, regarding state aid to counties, to change the county aid formula.

The bill would lower the base factor in the formula from .0075 percent to 0 percent. This would allow a minimum calculated appropriation of zero.

The Department of Revenue estimates, based on the current minimum appropriation of .0075% of statewide property tax valuation, that LB 96 could result in a decrease in General Fund appropriation of up to the following:

FY2011-12	(\$11,550,386)
FY2012 -13	(\$12,000,000)
FY2013-14	(\$12,400,000)
FY2014-15	(\$12,800,000)

The above calculation is based on the actual property tax valuation for 2010, and estimates a 3.5% increase for the next three fiscal years. It is also based on the premise that the appropriation is at the lowest possible level.

The Department indicates there would be no cost to implement this bill.

The county aid program was originally created by LB 218 (2009) and is to become operative on July 1, 2011. LB 218 combined three aid programs: the County Property Tax Relief Program, the general aid to counties distribution, and the jail reimbursement program. The fiscal impact of LB 218 was estimated at the time of passage as \$11,358,026 for the first year of operation if funded at the base factor level.

We agree with the Department of Revenue's estimate of fiscal impact and cost and also note that LB 96 could also leave the appropriation at its current level or even higher given that the upper factor, .0125% remains in place. LB 96 would allow the Legislature to appropriate any amount determined by the formula within that range, from \$0 to approximately \$19,250,000.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	1/26/11	PHONE	471-2526
COMMENTS					
DEPT. OF REVENUE – No basis upon which to disagree.					