Doug Gibbs February 09, 2017 402-471-0051

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2017-18		FY 2018-19				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

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

LB 72 renames the Nebraska Governmental Unit Security Interest Act as the Nebraska Governmental Unit Security Interest and Pledge Act (NGUSIPA)

The bill defines various terms, and amends provisions of the NGUSIPA, including changes to provisions relating to the priority status of liens on and security interest in "bond-pledged revenue sources" that represent security and sources of debt service for debt obligations of Nebraska "governmental units" (as defined by the bill). The bill appears to provide expanded protection for bond holders and priority of liens

"Bond-pledged revenue sources" is defined as all ad valorem taxes, local option sales and use taxes, special assessments, system revenue, collateral assets, and other revenue sources of a governmental unit pledged under the terms of the act or any authorizing statute to provide for or secure the payment of any bonds and all accounts and rights to receive the bond-pledged revenue sources in the general fund revenue or any other fund revenue and of such revenue as and when received.

There is no fiscal impact to the state as a result of LB 72.

Fiscal Note 2017

State Agency Estimate								
State Agency Name: Department of	Revenue				Date Due LFA:	2/9/2017		
Approved by: Tony Fulton		Date Prepared:	2/8/2017		Phone: 471-5896			
	FY 2017-2018		FY 2018-2019		FY 2019-2020			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$ 0		\$ 0		\$ 0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$ 0		\$ 0		\$ 0		

State A com our Estimate

LB 72 amends most sections of the Nebraska Governmental Unit Security Act (Neb. Rev. Stat §§ 10-1101 through 10-1106) to rename the Act the Nebraska Governmental Unit Security Interest and Pledge Act, and to expand the breadth and detail of the protections provided borrowers. The bill would define ad valorem taxes, general obligation bond, and local option sales and use taxes. Limited tax bonds is defined to mean any bond whose source for payment includes an ad valorem tax that is limited in some way. The bill further provides that pledging ad valorem taxes or other revenue sources (broadly defined) is valid and binding and nothing else is needed to perfect the lien, including a security agreement. All such pledges become a statutory lien and these provisions apply to bonds of any type already issued. General obligation bonds are given a first lien.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department to implement this bill.

Major Objects of Expenditure									
<u>Class Code</u>	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	19-20 <u>FTE</u>	17-18 <u>Expenditures</u>	18-19 <u>Expenditures</u>	19-20 <u>Expenditures</u>		
Benefits									
Operating Costs									
Travel									
Capital Outlay									
Aid									
Capital Improvements									
Total									