Scott Danigole January 25, 2011 471-0055

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

:	ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *						
	FY 2011	I- 1 2	FY 2012-13 ENUE EXPENDITURES REVENUE				
	EXPENDITURES	REVENUE					
GENERAL FUNDS	(22,060,567)		(22,060,567)				
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	(22,060,567)		(22,060,567)				

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

LB 383 eliminates provisions of statute related to state aid distributed to Natural Resource Districts, counties and municipalities.

The amount of aid received at any given NRD, county or municipality varies, thus the impact of the bill's provisions will vary from one entity to another.

The total aid distributed beginning July 1, 2011 is as follows:

NRDs

\$1,436,069

Counties

Varies based on formula

Municipalities

\$10,964,566

The Department of Revenue estimates the fiscal impact of LB 383 to be a General Fund expenditure decrease of \$23,951,021 in fiscal year 2011-2012 and \$24,400,000 in fiscal year 2012-2013. The variance is based on the variability of the aid to counties distribution that is found in 77-27,137.03.

While these figures accurately reflect what the bill's impact would be, they do not capture the bill's impact relative to the current appropriation. The current aid distributions are as follows:

	Total	\$22,060,567
•	County Jail Reimbursement	\$3,640,210
•	Counties (via Dept. of Revenue)	\$1,396,500
•	Municipalities	\$10,964,566
•	Counties (via Treasurer's budget)	\$4,623,222
•	NRDs	\$1,436,069

Since \$22,060,567 of savings is based upon current distribution levels, it more accurately reflects the anticipated cost savings of LB 383. For this reason, this is the figure used for the fiscal note.

DEPARTMENT OF ADMINISTRATIVE SERVICES

DELYARTHMENT OF ADMINISTRATIC CENTROLS						
REVIEWED BY	Lyn Heaton	DATE 1/25/11	PHONE 471-2526			

COMMENTS

DEPARTMENT OF REVENUE: The Department of Revenue's estimate of the impact of the bill is based on the amount projected to be required to fund the County Aid Program each fiscal year at the minimum provided under current law (0.0075 percent of total statewide valuation), \$11,550,386, plus a sum of \$12,400,635 assumed to be appropriated in each year to the Aid to Municipalities and Aid to NRDs programs in the aggregate.

However, if passed, the bill would reduce the current base level of General Fund appropriations by \$22,060,567 since appropriations for FY 2011-12 and FY 2012-13 have not yet been set.

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LB 383

LEGISLATIVE FISCAL

Fiscal Note

2011

State Agency Estimate						
State Agency Name: Department	of Revenue	•			Date Due LFA:	1/25/11
Approved by: Douglas Ewald		Date Prepared	: 1/20/11		Phone: 471-5700	
	FY 2011-	2012	FY 2012	-2013	FY 20	13-2014
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	<u>Revenue</u>
General Funds	(\$ 23,951,021)		(\$ 24,400,000)		(\$ 24,800,000)	
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	(\$ 23,951,021)		(\$ 24,400,000)		(\$ 24,800,000)	

LB 383 outright repeals seven sections of statute that provide for aid to municipalities, counties and natural resource districts (NRDs).

The sections to be repealed are as follows:

§77-27,136 grants general authority to provide aid to municipalities, counties and NRDs.

§77-27,137.01 describes the aid that is distributed to incorporated municipalities based on population.

§77-27,137.02 describes aid that is distributed to NRDs based on property taxes levied.

§77-27,137.03 describes aid that is distributed to counties, \$30,000 each and the remainder based on property taxes levied.

§77-27,139 directs municipalities, counties and NRDs to consider the amount of state aid they will receive when determining their property tax levies.

§§71-5326 and 81-15,158 authorize an off-set against state aid to municipalities, counties and NRDs for failure to pay an obligation.

The amendatory sections in this bill harmonize six other sections that cross reference the repealed sections.

It is estimated the decreased aid expenditures to the General Fund would be as follows:

FY 2011-12 (\$ 23,951,021)

FY 2012-13 (\$ 24,400,000)

FY 2013-14 (\$ 24,800,000)

FY 2014-15 (\$ 25,200,000)

It is estimated that the cost savings to the Department would be minimal.

This bill has an effective date of July 1, 2011 and carries the emergency clause.

Major Objects of Expenditure							
Class Code	Classification Title	11-12 FTE	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 <u>Expenditures</u>	13-14 Expenditures
Benefits.							
Operating Costs							
Capital Outlay	,				(\$ 23,951,021)	(\$ 24,400,000)	(\$ 24,800,000
					(ψ 25,751,021)	(# 24,700,000)	(\$ 2 1,000,000
Total					(\$ 23,951,021)	(\$ 24,400,000)	(\$ 24,800,000

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Page 1 of 1 Date: 1/25/2011

FISCAL NOTE LB383 State Treasurer

Prepared By	Walters, Jason
Date Prepared	1/24/2011
Prepared Phone	402-471-2793

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	-12,400,635		-12,400,635	
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	-12,400,635		-12,400,635	

Explanation of Estimate:

If the aid to municipalities and the aid to natural resource districts programs are eliminated, the dollars will not be expended.

Effective July 1, 2011 the aid to counties program merges with a new program at the Department of Revenue.

Major Objects of Expenditure

major objects of Experience							
	Number of Positions ition Title FY 2011-2012 FY 2012-2013		FY 2011-2012	FY 2012-2013 Expenditures			
Position Title			Expenditures				
		Benefits					
į.		Operating					
İ		Travel					
1		Capital outlay					
		Aid	-12,400,635	-12,400,635			
		Capital improvements					
		Total	-12,400,635	-12,400,635			