Doug Gibbs January 15, 2014 402-471-0051

LB 788

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 2014-15 FY 2015-16							
	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 788 renames the Nebraska Governmental Unit Security Interest Act as the Nebraska Governmental Unit Security Interest and Pledge Act; defines a number of terms; and provides for the automatic perfection of a bondholder's interest in a bond issued by a Nebraska governmental unit (as defined by the bill to now include any independent agency of the State) ahead of other creditors of the governmental unit.

The provisions of the Act would apply in the event of a default by the governmental unit issuing the bond.

The Department of Revenue indicates no fiscal impact to the state as a result of LB 788 and no cost to the Department.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

There appears to be no fiscal impact to political subdivisions as a result of LB 788.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 788 AM: AGENCY/POLT. SUB: Revenue							
REVIEWED BY: Ly	REVIEWED BY: Lyn Heaton DATE: 1/17/2013 PHONE: <u>402.471.4181</u>						
COMMENTS: The Department of Revenue analysis appears reasonable.							

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 788 AM: AGENCY/POLT. SUB: City of Lincoln							
REVIEWED BY: Ly	n Heaton		DATE: 1/16/2013	PHONE: <u>402.471.4181</u>			
COMMENTS: No basis upon which to disagree.							

Fiscal Note 2014

State Agency Estimate						
State Agency Name: Department of I	Revenue				Date Due LFA:	1/21/2014
Approved by: Kim Conroy		Date Prepared:	1/16/2014		Phone: 471-5896	
	FY 2014	4-2015	FY 201	5-2016	FY 201	16-2017
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$0		\$0		\$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$0		\$0		\$0

LB 788 (Governmental Unit Security Interest and Pledge Act) establishes an automatic priority interest against all pledged revenue sources used to finance debt payments (bonds) by state or local government, against all parties having claims against the governmental unit issuing the debt, and regardless of when the bond had been issued.

The Governmental Unit Security Interest and Pledge Act, as amended, governs the perfection, priority, and enforcement of all security interests created by governmental units.

There is no cost to the Department to implement the bill, and its impact on the General Fund is expected to be minimal.

Major Objects of Expenditure										
	14-15 15-16 16-17 14-15 15-16 16-17									
Class Code	Classification Title	<u>FTE</u>	<u>FTE</u>	FTE	Expenditures	Expenditures	Expenditures			
Benefits										
Operating Costs										
Travel										
A 1										
Capital Improvement	s									
Total										

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 788				FISCAL NOTE
State Agency OR Po	litical Subdivision Name: ⁽²⁾	City of Lincoln		
Prepared by: ⁽³⁾	Steve Hubka	Date Prepared: (4)	1/14/14 Phone:	(5) 402 441-7412
	ESTIMATE PROVIDED	BY STATE AGENC	<u>CY OR POLITICAL SUBDIVI</u>	SION
		4-15	FY 20	015-16
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUND	s			
CASH FUNDS				
FEDERAL FUNDS	5			
OTHER FUNDS	0	0	0	0
TOTAL FUNDS				

Explanation of Estimate:

BRI	EAKDOWN BY	MAJOR OBJECT	IS OF EXPENDITURE	
Personal Services:				
		F POSITIONS	2014-15	2015-16
POSITION TITLE	<u>14-15</u>	<u>15-16</u>	EXPENDITURES	<u>EXPENDITURES</u>
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			0	0

This bill perfects an interest of bondholders versus other city creditors which would matter in event of a municipal bankruptcy. Lincoln already has top bond ratings for the various categories of bonds we issue, so perfecting the interest would not likely get any better interest rates than we're currently able to obtain, therefore no fiscal impact to Lincoln would be expected from this bill. Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 788					FISCAL NOTE
State Agency OR Pol	itical Subdivision Name: ⁽²⁾	City of Omaha			
Prepared by: ⁽³⁾	Sheri Larsen	_ Date Prepared: ⁽⁴⁾	01/15/2014	Phone: ⁽⁵⁾	402-444-5477
	ESTIMATE PROVID	<u>ED BY STATE AGEN</u>	NCY OR POLITIC	AL SUBDIVIS	ION
	<u>FY 20</u> EXPENDITURES) <u>14-15</u> REVENUE	EXPENDIT	<u>FY 2015-</u> TURES	- <u>16</u> REVENUE
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS			-		
Explanation of Esti	mate:				

LB 788 does not have a measurable fiscal impact on the City of Omaha.

Personal Services:				
POSITION TITLE	NUMBER OF <u>14-15</u>	F POSITIONS <u>15-16</u>	2014-15 <u>EXPENDITURES</u>	2015-16 <u>EXPENDITURES</u>
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				