PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 07, 2017 402-471-0051

LB 572

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT — STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 201	l 7-1 8	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 572 amends Nebraska Revised Statutes Sections 77-4209, 77-5725, and 79-1001, to provide termination dates and change sunset dates

Section 77-4212 is amended to terminate the Property Tax Credit Act on January 1, 2020.

Based on the current level of funding for the Property Tax Credit Act, the reduction in expenditures from the Property Tax Credit Cash Fund would be \$224,000,000 in FY2020-21 with an increase in General Fund revenue of \$224,000,000.

Section 77-5725 is amended to change the sunset dates for the Nebraska Advantage Act. The bill provides that no new applications will be accepted after December 31, 2019.

The Department of Revenue indicates that the change in sunset date for the Nebraska Advantage Act is not expected to have a General Fund impact; the Department expects an influx of applications prior to the new sunset date with attainment being achieved later.

We have no basis to disagree with the Department of Revenue assessment.

Section 79-1001 is amended to terminate the Tax Equity and Educational Opportunities Support Act on January 1, 2020.

The impact of terminating TEEOSA, would be a reduction in General Fund expenditures of \$ 1,168,629,984 in FY20-21.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 572 AM: AGENCY/POLT. SUB: Department of Revenue						
REVIEWED BY: James Van Bruggen DATE: 3/8/17 PHONE: (402) 471-4179						
COMMENTS: Concur with the Department of Revenue's statements.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 572 AM: AGENCY/POLT. SUB: Department of Education						
REVIEWED BY: James Van Bruggen DATE: 1/24/17 PHONE: (402) 471-4179						
COMMENTS: Agree with the Department of Education's statements.						

LB 572 Fiscal Note 2017

State Agency Estimate							
State Agency Name: Department	of Revenue				Date Due LFA:	3/7/2017	
Approved by: Tony Fulton		Date Prepared:	3/6/2017		Phone: 471-5896		
	FY 2017-	-2018	FY 2018	-2019	FY 201	9-2020	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	\$0	\$0	\$0	\$0	(\$224,000,000)	\$0	
Cash Funds						(\$224,000,000)	
Federal Funds							
Other Funds							
Total Funds	\$0	\$0	\$0	\$0	(\$224,000,000)	(\$224,000,000)	

LB 572 would terminate the Property Tax Credit Act on January 1, 2020. LB 572 also provides that no new applications may be accepted under the Nebraska Advantage Act after December 31, 2019. Finally, LB 572 would terminate the Tax Equity and Educational Opportunities Support Act on January 1, 2020.

The accelerated sunset date under the Nebraska Advantage Act is not expected to have a General Fund impact; rather, the Department would expect an influx of applications prior to the December 31, 2019 date with attainment being achieved later.

By terminating the Property Tax Credit Act, LB 572 is estimated to result in an offsetting decrease in General fund expenditures and Cash Fund revenues as follows:

	General Fr Expenditu		Cash Fund Revenues	
FY 2017-2018	\$	-	\$	-
FY 2018-2019	\$	-	\$	-
FY 2019-2020	\$ (224,000,	000)	\$ (224,0	00,000)
FY 2020-2021	\$ (224,000,	000)	\$ (224,0	00,000)

This bill will eliminate TEEOSA, which will have a corresponding impact on General Fund expenditures. It is estimated that there will be no costs to the Department to implement this bill.

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

FISCAL NOTE

LB⁽¹⁾ 572____

Rev. 01/04/2017

State Agency OR Political Subdivision Name: (Department of Ed	lucation	_		
Prepared by: (3) Bryce Wilson	Date Prepared: (4)	Date Prepared: (4) 1/23/17 Phone: (5)			
ESTIMATE PROV	/IDED BY STATE AGENCY	OR POLITICAL SUBDIVI	SION		
<u>EXPENDITUR</u>	<u>Y 2017-18</u> <u>ES REVENUE</u>	<u>FY 20</u> EXPENDITURES	<u>18-19</u> <u>REVENUE</u>		
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS	_				
OTHER FUNDS					
	<u> </u>				
TOTAL FUNDS					
Explanation of Estimate:					
the property tax credit we million which is the curre	_	-			
	KDOWN BY MAJOR OBJEC	CTS OF EXPENDITURE			
Personal Services:	NUMBER OF POSITIONS	2017-18	2018-19		
POSITION TITLE	17-18 18-19	EXPENDITURES	EXPENDITURES		
Benefits					
Operating					
Travel					
Capital outlay					
Aid					
Capital improvements					
TOTAL					