Keisha Patent February 18, 2019 402-471-0059

LB 386

Revision: 00 FISCAL NO LEGISLATIVE FISCAL ANALYST ESTIMAT

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 2019	9-20	FY 2020-21					
	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 386 amends the Nebraska Budget Act applicable to local governing bodies to restrict the cash reserve for each fiscal year to 50% of the total amount received from real and personal property taxation, rather than 50% of the total budget adopted. The bill is operative July 1, 2019.

This bill is not estimated to have a fiscal impact to the state. The fiscal impact to each governing body subject to the Nebraska Budget Act will vary, depending upon estimated cash reserves in comparison to property taxes levied. For example, the City of Lincoln estimates the bill will result in a reduction in its cash reserves of \$5,082,188 for FY 19-20.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE LB: 386 AM: AGENCY/POLT. SUB: Department of Revenue **REVIEWED BY:** Lee Will DATE: 2/19/2019 PHONE: (402) 471-4175 COMMENTS: Concur with the Department of Revenue's assessment of no fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 386	AM:	AGENCY/POLT. SUB: City of Lincoln				
REVIEWED BY:	Lee Will	DATE: 1/29/2019	PHONE: (402) 471-4175			
COMMENTS: No basis to disagree with the City of Lincoln's assessment of fiscal impact.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO) LB: 386 AM: **REVIEWED BY:** Lee Will DATE: 1/23/2019 PHONE: (402) 471-4175 COMMENTS: Concur with NACO's assessment of fiscal impact. NACO has indicated that no fiscal impact is likely as no county currently has a cash reserve greater than 50 percent of the amount

received from personal and real property taxation.

Fiscal Note 2019

State Agency Estimate								
State Agency Name: Department of RevenueDate Due LFA:2/14/19								
Approved by: Tony Fulton		Date Prepared:	2/12/19		Phone: 471-5896			
	FY 201	9-2020	FY 202	0-2021	FY 20	21-2022		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue		
General Funds		\$0		\$0		\$0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds		\$0		\$0		\$0		

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LB 386 would lower the cash reserve that political subdivisions are allowed to keep on hand to fifty percent of the total amount received from personal and real property taxation rather than fifty percent of the total budget adopted.

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 the bill.

The bill would become operative July 1, 2019.

Major Objects of Expenditure								
Class Code	19-20 <u>Expenditures</u>	20-21 <u>Expenditures</u>	21-22 <u>Expenditures</u>					
Benefits								
Travel								
Capital Outlay								
Capital Improvements								
Total								

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

LB ⁽¹⁾ 386					FISCAL NOTE
State Agency OR Political Subdivision Name: ⁽²⁾		City of Lincoln			
Prepared by: ⁽³⁾	Brandon Kauffman	Date Prepared: ⁽⁴⁾	1/23/19	Phone: (5)	441-7412
	ESTIMATE PROVI	DED BY STATE AGEN	CY OR POLITICAL	<u>SUBDIVIS</u>	ION
	FV	2019-20		FY 2020	-91
	EXPENDITURES	<u>REVENUE</u>	EXPENDITU	-	REVENUE
GENERAL FUND	S \$5,082,188				
CASH FUNDS					
FEDERAL FUND	S				
OTHER FUNDS					
TOTAL FUNDS	\$5,082,188				

Explanation of Estimate:

This bill would limit the amount of cash reserves on hand to half of what is received for personal and real property taxes for 2019-2020 budget the City estimated cash reserves on hand of \$40,914,535 and the City levied \$71,664,694 for property taxes half of this could be kept in reserve or \$35,832,347. The City would need to cut its cash reserves by \$5,082,188 according to this bill.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE									
Personal Services:									
POSITION TITLE	NUMBER OF <u>19-20</u>	POSITIONS <u>20-21</u>	2019-20 <u>EXPENDITURES</u>	2020-21 <u>EXPENDITURES</u>					
Benefits									
Operating									
Travel									
Capital outlay									
Aid									
Capital improvements									
TOTAL									

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

LB ⁽¹⁾ 386	6					FISCAL NOTE
State Agency O	R Political S	bubdivision Name: ⁽²⁾	Nebraska Associa	tion of County Of	ficials (NA	NCO)
Prepared by: (3) Elaine	Menzel	Date Prepared: ⁽⁴⁾	1/18/2019	Phone: (5)	(402) 434.5660
		ESTIMATE PROVI	DED BY STATE AGEN	CY OR POLITICAL	<u>SUBDIVIS</u>	ION
		FY	2019-20		<u>FY 2020</u>	-21
		EXPENDITURES	<u>REVENUE</u>	EXPENDITU	RES	REVENUE
GENERAL FU	UNDS					
CASH FUNDS	S					
FEDERAL FU	JNDS					
OTHER FUN	DS					
TOTAL FUN	DS					

Explanation of Estimate:

The overall fiscal impact to Nebraska counties is unknown. However, there would likely be no fiscal impact to counties as a result of passage due to no county having a cash reserve greater than 50% of its budgeted amount according to 2017 information.

BREAKI	DOWN BY MA.	IOR OBJECTS O	FEXPENDITURE	
Personal Services:				
POSITION TITLE	NUMBER OF <u>19-20</u>	F POSITIONS <u>20-21</u>	2019-20 <u>EXPENDITURES</u>	2020-21 <u>EXPENDITURES</u>
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				