

LB 989 FISCAL NOTE

Doug Nichols
January 20, 1998

	FY 1998-99		FY 1999-00	
	Expenditures	Revenue	Expenditures	Revenue
GENERAL	\$10,300			
CASH				
FEDERAL				
OTHER				
TOTAL	\$10,300	\$0	\$0	\$0

This bill generally provides that political subdivisions cannot increase their budgets by more than 2.5%, unless provisions are followed as set out in the bill. The bill also defines terms. It is operative on July 1, 1998.

This bill does not appear to impact state revenues.

This bill will have a minimum impact on state expenditures. The Auditor of Public Accounts estimates a minimal impact on its operation because legal size paper will be required to get the necessary information from subdivisions. The Auditor will absorb this additional one-time cost. The Department of Education estimates a one-time cost of \$10,000 to revise forms. See their response for details.

Impact on Local Subdivisions: The impact on local subdivisions is indeterminate because the bill provides procedures for subdivisions to increase their budgets by more than 2.5%.

For Informational purposes: Over the last 20 years, property tax increases statewide have averaged about 5% per year. Assuming on a statewide basis that property taxes increase by 2.5%, then this bill could reduce property tax increases by one-half on a statewide basis.

AUDITOR OF PUBLIC ACCOUNTS: The agency estimate appears reasonable.