PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza February 8, 2021 (402)471-0050

LB 79

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2021-22		FY 20	22-23		
	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 79 seeks to increase the minimum amount of relief granted under the Property Tax Credit Act. From tax years 2020 through 2023, the minimum amount granted shall be \$275 million. Starting in tax year 2024, the minimum amount granted will increased by the allowable growth percentage defined in section 77-6702. This growth percentage is equal to the percentage growth in the total assessed value of all real property in the year prior to the current year, with a max of 5%.

There would be no General Fund impact until after tax year 2023, when the allowable growth percentage goes into effect. The Department of Revenue estimates the following General Fund revenue loss, based on an assumption of 3.5% growth.

- FY24-25: (\$9,625,000)
- FY25-26: (\$19,587,000)
- FY26-27: (\$29,898,000)
- FY27-28: (\$40,569,000)
- FY28-29: (\$51,614,000)
- FY29-30: (\$63,045,000)

This would result in a corresponding increase in the amount credited to the Property Tax Credit Fund. The Fiscal Office agrees with the estimates provided by the Department of Revenue.

The Nebraska Association of County Officials (NACO) expects no fiscal impact to counties. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 79	AM:	AGENCY/POLT. SUB: Department of Revenue			
REVIEWED BY:	Lee Will	DATE: 02/08/2021	PHONE: (402) 471-4175		
COMMENTS: Concur with the Department of Revenue's assessment of fiscal impact based on the assumption of 3.5% as an average growth annually.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 79	AM:	AGENCY/POLT. SUB: Nebraska Assoc	ciation of County Officials (NACO)			
REVIEWED BY:	Lee Will	DATE: 01/15/2021	PHONE: (402) 471-4175			
COMMENTS: Concur with NACO's assessment of the Property Tax Credit being increased by up to 5% for allowable growth in tax year 2024 and each year thereafter.						
Concur with NACO's assessment of no fiscal impact to the counties.						

LB 79 Fiscal Note 2021

	State Agency	Estimate			
of Revenue				Date Due LFO:	
	Date Prepared:	2/5/2021]	Phone: 471-5896	
FY 2021	1-2022	FY 202	2-2023	FY 2023	3-2024
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
	\$ 0		\$ 0		\$ 0
	\$ 0		\$ 0		\$ 0
	FY 202	of Revenue Date Prepared: FY 2021-2022 Expenditures Revenue \$ 0	Date Prepared: 2/5/2021 FY 2021-2022 FY 202.	Date Prepared: 2/5/2021 FY 2021-2022 FY 2022-2023 Expenditures Revenue Expenditures Revenue \$0 \$0 \$0	Date Due LFO: Date Prepared: 2/5/2021 Phone: 471-5896 FY 2021-2022 FY 2022-2023 FY 2023 Expenditures Revenue Expenditures \$0 \$0 \$0 \$0 \$0 \$0

LB 79 amends Neb. Rev. Stat. § 77-4212 to set the minimum amount of relief granted under the Property Tax Credit Act beginning in tax year 2024 to the minimum amount of relief granted from the prior year increased by the allowable growth percentage as defined by Neb. Rev. Stat. § 77-6702 of the Nebraska Property Tax Incentive Act.

Assuming 3.5% growth and the Property Tax Credit fund remains at \$275 million for tax year 2023, LB 79 will result in transferring the following amounts from the General Fund to the Property Tax Credit Cash Fund:

Fiscal	General Fund	Property Tax
Year	Revenue	Credit Fund
FY21-22		
FY22-23		
FY23-24		
FY24-25	\$ (9,625,000)	\$ 9,625,000
FY25-26	\$(19,587,000)	\$ 19,587,000
FY26-27	\$(29,898,000)	\$ 29,898,000
FY27-28	\$(40,569,000)	\$ 40,569,000
FY28-29	\$(51,614,000)	\$ 51,614,000
FY29-30	\$(63,045,000)	\$ 63,045,000

It is estimated there will be no cost to the Department to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures
Benefits							
	Operating Costs						
Travel							
Capital Outlay							
Capital Improvements.							
Total							

LB ⁽¹⁾ 79			FISCAL NOTE				
State Agency OR Political Subdivision Name: (Nebraska Association of County Officials (NACO)						
Prepared by: (3) Elaine Menzel	Date Prepared: (4)	1/11/2021 Phon	402.434.5660				
ESTIMATE PRO	VIDED BY STATE AGEN	CY OR POLITICAL SUBDI	VISION				
,	FY 2021-22	FV	2022-23				
<u>EXPENDITUR</u>		EXPENDITURES	REVENUE				
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							
TOTAL FUNDS							
Explanation of Estimate:							
Personal Services:	OWN BY MAJOR OBJECT	<u>IS OF EXPENDITURE</u>					
POSITION TITLE	NUMBER OF POSITION 21-22 22-23	S 2021-22 EXPENDITURES	2022-23 EXPENDITURES				
Benefits		<u> </u>					
Operating							
Travel							
Capital outlay							
Aid							
Capital improvements							
TOTAL							