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PREPARED BY: Doug Gibbs
DATE PREPARED: January 18, 2011
PHONE: 471-0051

LB 69

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 69 amends Nebraska Statute Section 77-1371 to change the language regarding comparable sales of real property. Real property includes residential, commercial, industrial, and agricultural property.

Current statute lists a number of sale types that are to be considered as part of the guidelines for determining comparable sales used in determining actual value of real property. LB 69 changes the language to say that these sale types shall not be used to determine the actual value.

As drafted the bill effects all type of real property and applies to residential, commercial, industrial, and agricultural.

The bill as drafted would prohibit assessors from using comparable sales for parcels of any real property type of less than 40 acres, which effectively prohibits the use of comparable sales for residential, commercial, industrial, and small agricultural parcels.

The bill also strikes language that allows the Property Tax Administrator to issue guidelines for assessing officials to use in determining what constitutes a comparable sale.

The bill appears to have no fiscal impact to the state.

IMPACT TO POLITICAL SUBDIVISIONS:

The bill could have some impact on local property values thereby affecting local property tax revenue but we cannot quantify the fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	1/20/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF REVENUE: Concur. No fiscal impact on the Department of Revenue. There is some potential for an impact on equalization aid to schools depending on any impact on assessment practices.					
NACO: The fiscal impact on counties is indeterminate until it is known what impact, if any, the bill has on assessment practices.					

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Fiscal Note 2011

State Agency Estimate

State Agency Name: Department of Revenue Date Due LFA: 1/13/2011
 Approved by: Douglas Ewald Date Prepared: 1/07/2011 Phone: 471-5700

	<u>FY 2011-2012</u>		<u>FY 2012-2013</u>		<u>FY 2013-2014</u>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	\$0	\$0	\$0	\$0	\$0	\$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$0	\$0	\$0	\$0	\$0	\$0

LB 69 amends Section 77-1371 to list the types of sales that could not be used as comparable sales when the county assessor is establishing value. As drafted, the bill affects all types of real property: residential, commercial, industrial, and agricultural. For example, this bill would prevent assessors from using comparable sales for parcel sizes less than 40 acres, effectively prohibiting the use of comparable sales for assessing all types of real property.

LB 69 may affect local property tax valuations. The bill is not expected to have an impact to the General Fund, and there are no costs associated with implementing the bill.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>	<u>11-12</u>	<u>12-13</u>	<u>13-14</u>
		<u>FTE</u>	<u>FTE</u>	<u>FTE</u>	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Aid.....							
Capital Improvements.....							
Total.....					\$0	\$0	\$0

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LEGISLATIVE FISCAL

FISCAL NOTE LB69
Counties

Prepared By	Edwards, Jon
Date Prepared	1/18/2011
Prepared Phone	402-434-5660

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

It does not appear that LB69 will have any fiscal impact on counties.

Major Objects of Expenditure

Position Title	Number of Positions		FY 2011-2012	FY 2012-2013
	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures