

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2018-19		FY 2019-20	
	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 899 amends Nebraska Revised Statutes Section 77-101 regarding the valuation of real property.

The bill provides that the county board of equalization shall adjust the value of real property that is destroyed by fire or other natural disaster between January 1 and October 1 upon receiving a report of such destroyed property from the county assessor.

The adjusted value is the sum of the following three factors:

- The assessed value of the property before it became destroyed multiplied by a percentage representing the portion of the year during which the property was intact and not yet destroyed;
- The assessed value of the property as of the date of its destruction multiplied by a percentage representing the portion of the year during which the property as destroyed and no replacement property as yet been completed;
- The assessed value of any replacement property as of the date of construction of such replacement property multiplied by a percentage representing the portion of the year during which construction of such property was complete.

The bill also provides a timetable for notice, decision, and appeals. The action of the county board may be appealed to the Tax Equalization and Review Commission.

The bill has an operative date of January 1, 2019.

The Department of Revenue indicates no fiscal impact to the General Fund as a result of the provisions of LB 899 and minimal cost to the Department to implement.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

We are unable to determine the fiscal impact to local political subdivisions because of the uncertainty of how often and where this may occur in the state.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 899	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton		DATE: 1/18/2018	PHONE: (402) 471-4181
COMMENTS: Concur. The proposed change in the process for establishing the assessed valuation of destroyed real property will have minimal or no fiscal impact on the Department of Revenue.			

