PREPARED BY: DATE PREPARED: PHONE: Keisha Patent January 21, 2019 402-471-0059

LB 183

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2019-20		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 183 amends property tax valuation provisions to provide that for purposes of school district taxes levied to pay principal and interest on bonds, agricultural and horticultural land and land receiving special valuation will be valued at 1% of its actual value. The bill also amends the acceptable range for these classes of property for review by the Tax Equalization and Review Commission to 0.75% to 1% of actual value or special valuation, respectively.

It is not possible to estimate the overall fiscal impact of LB 183. There is not expected to be a fiscal impact to General Fund revenue. However, there will be an impact to local school districts. For current bonds, for example, \$37.94 million is paid by owners of agricultural and horticultural land of the total \$233 million in taxes levied. Under LB 183, \$36.49 million of this would be shifted to owners of other types of property (residential, commercial and industrial, ag improvements, etc.) and \$1.45 million would continue to be paid by owners of agricultural and horticultural land. The current average statewide bond levy is \$0.095, which would increase to \$0.1582 under LB 183.

There are also distributional effects of the changes in the statewide averages. The changes will be more significant in school districts with a higher percentage of agricultural and horticultural property. Using current bonds, the maximum bond levy under the bill would be \$0.7919, and the minimum levy would be \$0.0341. Because of the disparate impacts of the bill on different school districts, it is not possible to estimate the impact on the amount or levies required for future bond issues.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 183	AM:	AGENCY/POLT. SUB: Department of Educat	ion		
REVIEWED BY:	Lee Will	DATE: 1/22/2019	PHONE: (402) 471-4175		
COMMENTS: Concur with the Department of Education's assessment of fiscal impact.					

TOTAL.....

e .	ıbdivision Name: ⁽²⁾	Department of Edu	ucation		
Prepared by: (3) Bryce V	Vilson	Date Prepared: (4)	1/16/19	Phone: (5)	402-471-4320
E	STIMATE PROVIL	DED BY STATE AGEN	CY OR POLIT	ICAL SUBDIVIS	SION
	FY 2	<u>019-20</u>		FY 2020)-21
	EXPENDITURES	REVENUE	EXPENI	<u>DITURES</u>	REVENUE
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS			·		
TOTAL FUNDS					
Explanation of Estimate:					
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LB 183 Fiscal Note 2019

	State Agency	Estimate				
Revenue				Date Due LFA:	1/18/19	
	Date Prepared:	1/17/19		Phone: 471-5896		
FY 2019	FY 2019-2020		FY 2020-2021		FY 2021-2022	
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
	\$ 0		\$ 0		\$ 0	
	\$ 0		\$ 0		\$ 0	
	FY 2019	Revenue Date Prepared: FY 2019-2020 Expenditures Revenue \$ 0	Date Prepared: 1/17/19 FY 2019-2020 FY 2020 Expenditures Revenue Expenditures \$0	Date Prepared: 1/17/19 FY 2019-2020 FY 2020-2021	Revenue Date Due LFA: Date Prepared: 1/17/19 Phone: 471-5896 FY 2019-2020 FY 2020-2021 FY 20 Expenditures Revenue Expenditures \$0 \$0 \$0 \$0 \$0	

LB 183 amends Neb. Rev. Stat. § 77-201 to value agricultural and horticultural land at 75% of actual value except for school district taxes levied to pay the principal and interest on bonds, it shall be valued at 1% of its actual value. This also applies to agricultural and horticultural land receiving special valuation.

This bill also amends Neb. Rev. Stat. § 77-5023 to set an acceptable range of values for agricultural and horticultural land at 0.75% to 1% of actual value and 0.75% to 1% of special valuation, respectively, for purposes of paying principal and interest on school bonds.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Department to implement this bill.

This bill becomes operative on January 1, 2020.

Major Objects of Expenditure							
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 Expenditures	20-21 Expenditures	21-22 Expenditures
Renefits							
Operating Costs							
Travel							
Capital Improvements							
Total							