

Updated for the 2020 session and includes any adopted amendments

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2020-21</b>		<b>FY 2021-22</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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 50% 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 44% to 50% of actual value or special valuation, respectively. As amended, the provisions of LB 183 apply only to bonds issued on or after January 1, 2020. We assume for purposes of this fiscal note, the operative date of the bill will be January 1, 2021.

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 illustrative purposes only because the amended bill does not apply to currently issued bonds, using 2018 certified taxes levied, \$36.85 million of the total taxes paid for bonds is paid by owners of agricultural and horticultural land of the total \$249 million. With agricultural land valued at 50%, \$6.4 million of this would shift to owners of other types of property (residential, commercial and industrial, ag improvements, etc.) and \$30.45 million would continue to be paid by owners of agricultural and horticultural land. The current average statewide bond levy is \$0.0975, which would increase to \$0.112 with agricultural land valued at 50%.

There are also distributional effects of the changes in the statewide averages. Changes will be more significant in school districts with a higher percentage of agricultural and horticultural property. 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.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 183	AM: 158, 517	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Lee Will	DATE: 12/26/2019	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with the Department of Education's assessment of fiscal impact.			

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**2020**

**LB<sup>(1)</sup> 183 AM 158, AM 517**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Education

Prepared by: <sup>(3)</sup> Bryce Wilson Date Prepared: <sup>(4)</sup> 11/1/19 Phone: <sup>(5)</sup> 402-471-4320

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2020-21</u>		<u>FY 2021-22</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 183 with AM 158 and AM 517 reduces agricultural and horticultural land values to 50% of their special valuation for school district taxes levied to pay principal and interest on bonds.

There would be a significant shift of property taxes paid by agricultural and horticultural land to residential and commercial land in districts that pass bonds after the effective date of this act. AM 158 changed the original version to only apply to bonds passed after the effective date of the act. The decrease in valuations for agricultural and horticultural land may make it difficult to pass bonds in some districts. The exact fiscal impact cannot be determined.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21</u>	<u>2021-22</u>
	<u>20-21</u>	<u>21-22</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

