

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 529 amends provisions related to property exempt from property taxation.

The bill specifies, for tax year 2020 and thereafter, for property of a hospital to qualify for an exemption from property taxes, the hospital must permit licensed medical practitioners in the community to use the hospital’s facilities regardless of whether the practitioner is employed by the hospital. The hospital can prohibit a practitioner from using its facilities if good cause is shown.

The hospital’s property is exempt in proportion to the percentage of hospital services that are provided gratuitously, and the hospital must provide documentation to the county assessor showing gross revenue and an estimate of the value of the service provided gratuitously.

There could be an impact to the property tax revenue collected by political subdivisions, but it is not possible to determine the amount. The impact will vary based on the number of hospitals affected and any change in the amount of exempt property in each taxing district due to the changes in LB 529. The Nebraska Association of County Officials estimates counties could incur additional costs to calculate the exempt amount.

Any increase in property tax valuation due to the provisions of LB 529 will affect local resources in the state aid formula pursuant to the Tax Equity and Educational Opportunities Support Act, having an impact on General Fund expenditures. It is not possible to estimate the amount.

The Department of Revenue estimates minimal costs to implement the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 529	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 2/26/2019	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Revenue’s assessment that the bill will have an impact on TEEOSA and General Fund expenditures. The amount of property taxes collected would most likely increase with the change in exemptions for hospitals.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 529	AM:	AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY: Lee Will	DATE: 1/31/2019	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with Lancaster County’s assessment of no fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 529 AM: AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)

REVIEWED BY: Lee Will DATE: 1/29/2019 PHONE: (402) 471-4175

COMMENTS: NACO's assessment of fiscal impact seems reasonable given the assumptions used.

Please complete ALL (5) blanks in the first three lines.

2019

LB⁽¹⁾ 529

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County

Prepared by: ⁽³⁾ Scott Gaines Date Prepared: ⁽⁴⁾ 1/31/19 Phone: ⁽⁵⁾ 402-441-6580

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB529 would have no fiscal impact on Lancaster County operations.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2019

LB⁽¹⁾ 529

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/28/2019 Phone: ⁽⁵⁾ (402) 434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 529 would place affirmative requirements on hospitals seeking an exemption from property tax. A hospital would be required to permit licensed medical practitioners in the community to use the hospital's facilities regardless of whether the practitioner is employed by the hospitals unless good cause is shown and the exemption would be in proportion to the percentage of the hospital's services that are provided gratuitously. A hospital would be required to present additional information to a county assessor showing the hospital's gross revenue for the most recently completed fiscal year and an estimate of the value of the services that the hospital provided gratuitously during such year.

The fiscal impact to counties is indeterminate; however, any potential increase would be expected to be minimal in terms of property taxes received. Added costs would be potentially incurred because of calculations required by county assessors.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____