Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	1-22	FY 2022-23				
	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 2 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 30% 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 24% to 30% of actual value or special valuation, respectively. LB 2 would become operative on January 1, 2022.

The Department of Revenue estimates no fiscal impact from LB 2. There is no basis to disagree with this estimate.

The Nebraska Association of County Officials (NACO) estimates that counties will need to modify their computer software and use a separate book for the new valuations. Even so, no significant fiscal impact is expected for counties. There is no basis to disagree with this estimate.

LB 2 could require budget modifications for school districts, as their tax base would be reduced for the payment of principal and interest bond payments. It's difficult to estimate what the total impact would entail, as well as the variation within different school districts.

ADMIN	ISTRATIVE SEF	RVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & P	OLT. SUB. RESPONSE			
LB: 002	AM:	AGENCY/POLT. SUB: Department of Revenue				
REVIEWED BY:	Lee Will	DATE: 02/08/2021	PHONE: (402) 471-4175			
COMMENTS: Concur with the Department of Revenue's assessment of minimal fiscal impact.						

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

LB: 2	AM:	AGENCY/POLT. SUB: Nebraska Associa	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)			
REVIEWED BY:	Lee Will	DATE: 01/15/2021 PHONE: (402) 471-4175				
COMMENTS: Concur with NACO's assessment of minimal fiscal impact.						

State Agency Estimate							
State Agency Name: Department of Revenue Date Due LFO:							
Approved by: Tony Fulton		Date Prepared:	2/5/2021		Phone: 471-5896		
	FY 2021	-2022	FY 2022	2-2023	FY 2023-	-2024	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds	Minimal		Minimal		Minimal		
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	Minimal		Minimal		Minimal		

Section 1 of LB 2 amends Neb. Rev. Stat. § 77-201 to reduce the value of agricultural and horticultural land, meeting the qualifications for special valuation to 30% of actual or special value for the purposes of taxes levied to pay the principal and interest on bonds issued by school districts after the operative date of the bill.

Section 2 of LB 2 amends Neb. Rev. Stat. § 77-5023 to reduce the acceptable level of value range for both agricultural and horticultural land and agricultural and horticultural land receiving special valuation for taxes levied by school districts to pay the principal and interest on bonds. The acceptable level of value range is reduced from 69%-75% to 24%-30% of actual or special value.

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, 2022.

Major Objects of Expenditure							
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 <u>Expenditures</u>	22-23 <u>Expenditures</u>	23-24 <u>Expenditures</u>
Benefits							
Operating Costs	Operating Costs						
Travel							
Capital Outlay							
Capital Improvements							
Total							

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LB ⁽¹⁾ 2				FISCAL NOTE		
State Agency OR F	olitical Subdivision Name: ⁽²⁾	Nebraska Association of County Officials (NACO)				
Prepared by: ⁽³⁾ Elaine Menzel		Date Prepared: ⁽⁴⁾	1/11/2021 Pho	ne: (5) 402.434.5660		
	ESTIMATE PROVII	DED BY STATE AGENO	Y OR POLITICAL SUBDI	VISION		
	<u>FY</u> <u>EXPENDITURES</u>	<u>2021-22</u> <u>REVENUE</u>	<u>FY</u> <u>EXPENDITURES</u>	<u>2022-23</u> <u>REVENUE</u>		
GENERAL FUN	DS					
CASH FUNDS						
FEDERAL FUNI	DS					
OTHER FUNDS						
TOTAL FUNDS						

Explanation of Estimate:

LB 2 would change the valuation of agricultural land and horticultural land for certain school district taxes. While the legislation, if enacted, would require two books to calculate different valuations and also require computer software modifications, the fiscal impact would not be highly significant to counties.

<u>BREAKD</u>	OWN BY MAJ	OR OBJECTS O	<u>F EXPENDITURE</u>		
Personal Services:					
	NUMBER OF	POSITIONS	2021-22	2022-23	
POSITION TITLE	<u>21-22</u> <u>22-23</u>		EXPENDITURES	EXPENDITURES	
			,		
		. <u> </u>			
Benefits					
Operating					
Travel					
Capital outlay					
Aid					
Capital improvements					
TOTAL					