

Revised to include changes made by AM638, AM1063, and FA27

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2021-22</b>		<b>FY 2022-23</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 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 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. LB 2 would become operative on January 1, 2022.

Amendments adopted on General File only increase the percentage at which agricultural and horticultural land is valued for bond purposes from 30% to 50%, and as a result, the previous estimates from Department of Revenue and NACO will remain unchanged. As such, their previous responses are incorporated by this reference.

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.