

PREPARED BY: Kenneth Boggs
 DATE PREPARED: August 02, 2024
 PHONE: 402-471-0050

LB 12

Revision: 01

Revised to clarify fiscal impact.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$4,435,000		\$58,673,000
CASH FUNDS	\$560,700,000	\$560,700,000	\$590,700,000	\$590,700,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$560,700,000	\$565,135,000	\$590,700,000	\$649,373,000

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 12 proposes the establishment of the School District Property Tax Relief Act, starting in the tax year 2024. This act would provide \$560,700,000 million in relief, with an annual increase of \$30 million starting in 2025. The collection fee for costs would offset the reduction in property taxes collected for the school district, resulting in no fiscal impact on the county.

The bill incorporates some provisions of LB 388 (2024) with modifications. Specifically, the bill repeals the income tax credits for property taxes paid to schools under the Nebraska Property Tax Incentive Act, beginning in tax year 2024.

Estimated General Fund revenue gained by repealing the income tax credit is \$565,135,000 million in FY25 and \$649,373,000 million in FY26. The amounts required for the new school district property tax credit are assumed to be transferred to the newly created cash fund from the General Fund.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 12	AM:	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY: Neil Sullivan	DATE: 7/29/2024	PHONE: (402) 471-4179	
COMMENTS: The State Treasurer assessment of no fiscal impact from LB 12 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 12	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY: Neil Sullivan	DATE: 7/29/2024	PHONE: (402) 471-4179	
COMMENTS: The Nebraska Association of County Officials assessment of fiscal impact from LB 12 appears to be reasonable.			

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

2024

LB⁽¹⁾ 12 Special Session

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 7/26/2024 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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 12 would create the School District Property Tax Relief Act beginning in tax year 2024 and thereafter. The relief granted would be over \$560 million. For 2025 and each tax year after, the amount would be increased by \$30 million.

Because the collection fee for costs would equal the reduction in property taxes collected for the school district, there would be no fiscal impact to the county.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

2024

LB⁽¹⁾ 12

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ July 26, 2024 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

The State Treasurer's Office doesn't expect any fiscal impact from LB 12 to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____