PREPARED BY: DATE PREPARED: PHONE: John Wiemer March 7, 2023 402-471-0051

LB 192

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | | | | |
|--|--|--|--------------|--|--|--|--|
| | FY 2023-24 FY 2024-25 | | | | | | |
| | EXPENDITURES REVENUE EXPENDITURES REVI | | | | | | |
| GENERAL FUNDS | | | \$46,457,000 | | | | |
| CASH FUNDS | | | | | | | |
| FEDERAL FUNDS | | | | | | | |
| OTHER FUNDS | | | | | | | |
| TOTAL FUNDS | _ | | \$46,457,000 | | | | |

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

LB 192 changes the definition of household income related to homestead exemptions to eliminate part of the definition so that any social security to the extent excluded in the computation of gross income for federal income tax purposes would not be added to total federal adjusted gross income, as defined in the Internal Revenue Code.

The Department of Revenue (DOR) estimates the following increase to General Fund expenditures as a result of the bill:

| Fiscal Year | General Fund expenditures | | | | |
|-------------|---------------------------|--|--|--|--|
| FY2023-24 | \$ - | | | | |
| FY2024-25 | \$ 46,457,000 | | | | |
| FY2025-26 | \$ 48,316,000 | | | | |
| FY2026-27 | \$ 50,248,000 | | | | |

The DOR estimates that there will be no costs for it to implement the bill.

There is no basis to disagree with these estimates by the DOR.

Revenue lost by political subdivisions from the additional exemptions as a result of this bill would be reimbursed by the state.

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | | | | | |
|---|---|--|--|--|--|--|--|
| LB: 192 AM: AGENCY/POLT. SUB: Lancaster County | | | | | | | |
| REVIEWED E | REVIEWED BY: Neil Sullivan DATE: 3/6/2023 PHONE: (402) 471-4179 | | | | | | |
| COMMENTS: The Lancaster County assessment of no fiscal impact from LB 192 appears reasonable. | | | | | | | |

| ADMIN | IISTRATIVE SERVICE | S STATE BUDGET DIVISION: REVIE | EW OF AGENCY & POLT. SUB. RESPONSE | | | |
|--|--------------------|--------------------------------|--------------------------------------|--|--|--|
| LB: 192 | AM: | AGENCY/POLT. SUB: Nebra | aska Association of County Officials | | | |
| REVIEWED | BY: Neil Sullivan | DATE: 3/6/2023 | PHONE: (402) 471-4179 | | | |
| COMMENTS: Concur with the Nebraska Association of County Officials assessment of no net fiscal impact from LB 192. | | | | | | |

| State Agency Estimate | | | | | | | | |
|----------------------------------|--------------|----------------|----------------------------|---------|-----------------|---------|--|--|
| State Agency Name: Departmen | t of Revenue | | | | Date Due LFO: | | | |
| Approved by: Glen White FY 2023- | | Date Prepared: | 03/06/2023 FY 2024-2025 | | Phone: 471-5896 | | | |
| | | 2024 | | | FY 2025-2026 | | | |
| | Expenditures | Revenue | Expenditures | Revenue | Expenditures | Revenue | | |
| General Funds | \$0 | | \$ 46,457,000 | | \$ 48,316,000 | | | |
| Cash Funds | | | | | | | | |
| Federal Funds | | | | | _ | | | |
| Other Funds | | | | | | | | |
| Total Funds | \$0 | | \$ 46,457,000 | | \$ 48,316,000 | | | |

LB 192 amends the definition of household income by striking the requirement that any social security income that is not included in adjusted gross income be added and included in household income for purposes of homestead exemption. This change would increase the number of applicants who would qualify for exemption as not including this portion of social security income would allow more applications to stay under the income limitations for their filing status and application category; except such legislation would not affect the number of applicants for homestead Category 4, which is 100% service-connected disabled veterans and their surviving spouse and Category 5, which is veterans who have homes substantially contributed to by the Department of Veterans Affairs (VA) and their surviving spouses as these categories do not have any income limitations.

Department of Revenue (DOR) used Public Use Microdata Sample (PUMS) data from census to run simulation on the homestead data and estimated the increase in homestead expenditure under LB 192. DOR estimates that LB 192 will have the following impact on the General Fund expenditures:

| Fiscal Year | General Fund expenditures |
|-------------|---------------------------|
| FY2023-24 | \$ - |
| FY2024-25 | \$ 46,457,000 |
| FY2025-26 | \$ 48,316,000 |
| FY2026-27 | \$ 50,248,000 |

It is estimated that there will be no costs to the DOR to implement this bill. The operative date for this bill is three months after adjournment.

| Major Objects of Expenditure | | | | | | | | |
|------------------------------|----------------------|---------------------|---|---------------------|-----------------------|-----------------------|-----------------------|--|
| Class Code | Classification Title | 23-24 <u>FTE</u> | 24-25 <u>FTE</u> | 25-26 <u>FTE</u> | 23-24 Expenditures | 24-25 Expenditures | 25-26 Expenditures | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Operating Costs | | | | | | | | |
| Travel | | | | | | | | |
| Capital Outlay | | | | | | | | |
| | nts | | | | | | | |
| Total | | | • | | · | | | |

TOTAL.....

| LB ⁽¹⁾ 192 | | | | | FISCAL NOTE | | |
|---|-----------------|-----------------------------|---------------|----------------|---------------------|--|--|
| State Agency OR Political Subdivision Name: | Lanc | Lancaster County Assessor | | | | | |
| Prepared by: (3) Derrick Niederklein | Da | te Prepared: ⁽⁴⁾ | 1/30/2023 | Phone: | (5) 402.441.8755 | | |
| ESTIMATE PRO | VIDED B | Y STATE AGEN | NCY OR POLIT | ICAL SUBDIV | /ISION | | |
| <u> </u> | Y 2023-24 | <u>Ł</u> | | FY 20 | <u>24-25</u> | | |
| <u>EXPENDITUR</u> | <u>ES</u> | <u>REVENUE</u> | EXPEND | <u>OITURES</u> | <u>REVENUE</u> | | |
| GENERAL FUNDS 0 | | | _ | | | | |
| CASH FUNDS | | | | | | | |
| FEDERAL FUNDS | _ | | _ | | | | |
| OTHER FUNDS | | | | | | | |
| TOTAL FUNDS 0 | | | | | | | |
| Explanation of Estimate: | | | | | | | |
| No impact. | | | | | | | |
| · | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Personal Services: | <u>JWN BY N</u> | <u>iajor objeci</u> | S OF EXPEND | <u>ITURE</u> | | | |
| | | OF POSITION | | 3-24 | 2024-25 | | |
| POSITION TITLE | <u>23-24</u> | <u>24-25</u> | <u>EXPENI</u> | <u>DITURES</u> | EXPENDITURES | | |
| | | | _ | | | | |
| Daniel Care | - | <u> </u> | - | | | | |
| Benefits | | | | | | | |
| Operating Travel | | | | | | | |
| Capital outlay | | | | | | | |
| Aid | | | | | | | |
| Capital improvements | | | | | | | |

| LB ⁽¹⁾ 192 | | | FISCAL NOTE | | | | | |
|---|---------------------|---|---------------------|--|--|--|--|--|
| State Agency OR Political Subdivision Name: | Lancaster County | Lancaster County Assessor/Register of Deeds | | | | | | |
| Prepared by: (3) Dan Nolte | Date Prepared: (4) | January 13, 2023 Phone | e: (5) 402-441-8777 | | | | | |
| ESTIMATE PRO | OVIDED BY STATE AGE | NCY OR POLITICAL SUBD | IVISION | | | | | |
| T. | Y 2023-24 | EV (| 2024-2 <u>5</u> | | | | | |
| <u>EXPENDITUR</u> | | EXPENDITURES | REVENUE | | | | | |
| GENERAL FUNDS | | | | | | | | |
| CASH FUNDS | | | | | | | | |
| FEDERAL FUNDS | | | | | | | | |
| OTHER FUNDS | | | | | | | | |
| | | | | | | | | |
| TOTAL FUNDS | | | | | | | | |
| Explanation of Estimate: | | | | | | | | |
| | | | | | | | | |
| <u>BREAKDO</u> Personal Services: | OWN BY MAJOR OBJECT | TS OF EXPENDITURE | | | | | | |
| | NUMBER OF POSITION | | 2024-25 | | | | | |
| POSITION TITLE | 23-24 $24-25$ | EXPENDITURES | EXPENDITURES | | | | | |
| | | | | | | | | |
| Benefits | | | | | | | | |
| Operating | | | | | | | | |
| Travel | | | | | | | | |
| Capital outlay | | | | | | | | |
| Aid | | | | | | | | |
| Capital improvements | | | | | | | | |
| TOTAL | | | | | | | | |

| LB ⁽¹⁾ 192 | 2 | | | | | FISCAL NOTE |
|--|---|--|---|--|---|---|
| State Agency O | R Political Subdivision Name: (| Nebra | aska Associa | ation of Cour | ity Officials (NA | (CO) |
| Prepared by: | 3) Elaine Menzel | Dat | te Prepared: (4) | 1/11/2023 | Phone: (5) | 402.434.5660 |
| | ESTIMATE PRO | VIDED BY | STATE AGE | NCY OR POLI | ΓΙCAL SUBDIVIS | ION |
| | T | V 0000 01 | | | FY 2024 | 95 |
| | <u>EXPENDITUR</u> | <u> Y 2023-24</u> <u>ES</u> | <u>REVENUE</u> | EXPEN | DITURES | REVENUE |
| GENERAL F | UNDS | <u> </u> | | | | |
| CASH FUNDS | S | <u></u> | | | | |
| FEDERAL FU | JNDS | | | | | |
| OTHER FUN | DS | | | | _ | |
| TOTAL FUN | DS | | | | | |
| Explanation of | of Estimate: | - - | | | | |
| While the ad taxation, the result of LB that year bed | d exemption social securi homestead exemption. Iditional exemptions would county would certify to the 192, that will be lost to all cause of exemptions allow ext following the certification. | d result in e Tax Cor taxing age ved that ye on. | a loss in tax ronmissioner the encies, includies. The State | evenues due e total tax rev ng counties, t e reimburses | to additional exe enue, including t from taxes levied such amount to t | mptions in property hat incurred as a l and assessed in |
| Personal Serv | | <u>)WN BY M</u> | AJOR OBJECT | <u>IS OF EXPEN</u> | <u>DITURE</u> | |
| | SITION TITLE | NUMBER <u>23-24</u> | OF POSITION <u>24-25</u> | | 23-24 IDITURES | 2024-25 EXPENDITURES |
| | | | | | | |
| Benefits | | | | | | |
| Operating | | | | | | |
| | | | | | | |
| | ⁷ | | | | | |
| | vements | | | | | |
| | vements | | | | | |