

Updated for the 2024 Legislative Session

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	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 29 changes the term of “destroyed” real property to “damaged” real property for when assessed values can be adjusted. Additionally, the bill adds “other events causing significant property damage” to fires, earthquakes, floods and tornadoes that already provide property tax relief to owners of real property affected by the listed events. Significant property damage is defined to include damage exceeding 20% of the improvement’s assessed value or land’s assessed value in the current tax year. Property owners can report significant property damage prior to July 1 of the current assessment year. The county assessor is to inspect and review all properties reported with significant property damage and submit a report by July 20 of the current assessment year on those properties to the county. The county then adjusts assessed values on the reported damaged properties.

This bill contains an emergency clause and becomes law upon enactment.

The Department of Revenue estimates no fiscal impact to the General Fund from the bill and minimal costs to the Department to implement this bill. There is no basis to disagree with these estimates.

The Douglas and Lancaster County Assessors estimate little to no fiscal impact from this bill.

The Nebraska Association of County Officials (NACO) estimates that storms or damages occurring in late June may require additional staffing by counties to complete reports due by July 20. NACO also notes that, in the occurrence of a damaging event, this has potential to reduce the tax base of a political subdivision with political subdivisions with a small tax base at or near their levy limit possibly having more substantial effects to revenue. NACO estimates that this impact would be unpredictable and indeterminate as well as the frequency of these damaging events. Given that, the fiscal impact would also depend upon severity of the damage and area where the damage occurs.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 29	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan		DATE: 12/18/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of minimal fiscal impact from LB 29 appears reasonable.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 29	AM:	AGENCY/POLT. SUB: Douglas County Assessor	
REVIEWED BY: Neil Sullivan		DATE: 12/13/2023	PHONE: (402) 471-4179
COMMENTS: The Douglas County Assessor assessment of no fiscal impact from LB 29 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 29	AM:	AGENCY/POLT. SUB: Lancaster County Assessor
REVIEWED BY: Neil Sullivan	DATE: 12/6/2023	PHONE: (402) 471-4179
COMMENTS: The Lancaster County Assessor assessment of minimal fiscal impact from LB 29 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 29	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials
REVIEWED BY: Neil Sullivan	DATE: 12/7/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Nebraska Association of County Officials assessment of indeterminate impact from LB 29.		



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

**2023**

**LB<sup>(1)</sup> 29 (revised)**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Douglas County Assessor/Register of Deeds Office

Prepared by: <sup>(3)</sup> Michael Goodwillie Date Prepared: <sup>(4)</sup> 1/12/2023, revised 12/12/2023 Phone: <sup>(5)</sup> (402) 444-6703

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</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 29 revises a bill passed several years ago which permits a mid-year change to a property’s value when it has been significantly damaged by a natural disaster. (Normally, property is valued as it exists on January 1 and that value is the assessment until the following year.) LB 29 expands the causes for relief beyond its original parameters of “fire, earthquake, flood, a tornado, or other natural event” but otherwise, the requirements of the bill do not change the original in any significant way. The assessor is required, under the bill to inspect and review the properties filing a claim for relief and prepare a report to the county board of equalization for the board’s review in determining the value of the property. Our office did all of that in 2022, although in 2023, the county board of equalization had their referees work on these properties. That said, because of efficiencies we have developed in other aspects of the appraisal process, our office will have staff available to do the work the bill requires. The bill expands the scope of events that can trigger a claim, but we would not anticipate a large surge in claims over and above what have been filed in previous years. Several years ago, in the wake of the flooding in Eastern Nebraska, there were fifty-four such claims but in 2022 there were only seven. Our office believes that we can perform the duties required by the bill with existing staff. **No Fiscal Impact on this office.**

This office has reviewed the bill and the fiscal note in preparation for the 2024 Legislative session. We do not believe that the assessment of no fiscal impact on this office will change.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____



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**2024**

**LB<sup>(1)</sup> 29**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County Assessor/Register of Deeds

Prepared by: <sup>(3)</sup> Dan Nolte Date Prepared: <sup>(4)</sup> 12/4/23 Phone: <sup>(5)</sup> 402-441-8777

**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:**

This legislation appears to have little impact on this 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.....	_____	_____	_____	_____

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**2024**

**LB<sup>(1)</sup> 29**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 12/4/2023 Phone: <sup>(5)</sup> 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 29 would redefine destroyed property as damaged property and to redefine significant property damage to include damage to an improvement or the land exceeding 20 percent of the improvements or land’s assessed value in the current tax year.

In the event of a major storm or other damage causing incident in late June of a year, counties would likely incur some additional staffing costs to properly complete all required reports by July 20.

In the event a damaging event occurs, LB 29 has potential to reduce the tax base of a political subdivision. For smaller counties or political subdivisions with a small tax base that are at or near their levy limit, this could result in a substantial loss of revenue. Such impact and the frequency of such events would be unpredictable and indeterminate.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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