

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	REVENUE
GENERAL FUNDS				
CASH FUNDS			\$1,322,055 - \$3,526,805	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$1,322,055 - \$3,526,805	

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

LB398 changes provisions relating to in lieu of tax payments by the Game and Parks Commission, for lands acquired for wildlife management purposes. This bill requires all land obtained by the Game and Parks to be included in the calculation of in lieu of taxes payments made to the county treasurer of which the land resides. Currently, only land acquired after January 1, 1977 is included in the calculation of in lieu of taxes. This bill also requires the land to be valued at its "highest and best use" versus the value for which it was used immediately before the acquisition.

Expenditures:

The Nebraska Game and Parks Commission (NGPC) has indicated LB398 would result in additional in lieu of taxes payments estimated between \$1,322,055 and \$3,526,805 annually (based on 2022 data). The low end of this estimation accounts for adding lands that were acquired prior to 1977, at the average county assessment rate. The higher estimated amount tallies those same lands, plus existing lands (now be calculated at the current average county assessment rates) minus the \$1,000,000 current liability. This higher number is only an estimated "highest and best use" figure, as these rates are unknown and would be county specific. These amounts would adjust annually as new land is added or land is removed, and the valuations change. Based on the effective date of LB398, the new tax payments would begin occurring in the first half of 2025.

The Nebraska Department of Education has stated no fiscal impact to their agency, as a result of LB398. However, this bill would result in additional in lieu of taxes received by the school districts, which would have an impact to state aid pursuant to the TEEOSA formula if in lieu of tax payments are increased in equalized districts.

Lancaster County has specified a very minimal impact, as this bill would not involve many parcels in Lancaster County.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 398	AM:	AGENCY/POLT. SUB: Department of Education	
REVIEWED BY: Jacob Leaver	DATE: 1/19/2023	PHONE: (402) 471-4173	
COMMENTS: No basis to dispute the Department of Education's estimate of no fiscal impact to the department as a result of LB 398.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 398	AM:	AGENCY/POLT. SUB: Nebraska Game and Parks Commission	
REVIEWED BY:	Jacob Leaver	DATE: 1/25/2023	PHONE: (402) 471-4173
COMMENTS: The Nebraska Game and Parks Commission's estimated fiscal impact to the commission appears reasonable as a result of LB 398. The range of increased expenditures provided by the commission appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 398	AM:	AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY:	Jacob Leaver	DATE: 1/24/2023	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Lancaster County's estimated minimal fiscal impact to the county as a result of LB 398.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 398	AM:	AGENCY/POLT. SUB: Lancaster County Assessor	
REVIEWED BY:	Jacob Leaver	DATE: 1/23/2023	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Lancaster County Assessor's estimate of minimal fiscal impact as a result of LB 398.			

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

2023

LB⁽¹⁾ 398

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Dept of Education

Prepared by: ⁽³⁾ Bryce Wilson Date Prepared: ⁽⁴⁾ 1/17/23 Phone: ⁽⁵⁾ 402-471-4320

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 398 requires all land obtained by the Game and Parks to be included in the calculation of in lieu of taxes payments made to the county treasurer of the county the land acquired is located in. Currently, only land acquired after January 1, 1977 is included in the calculation of in lieu of taxes.

This bill also requires the land to be valued at its highest and best use instead of how it was used immediately before acquisition.

This bill would result in additional in lieu of taxes being received by school districts.

No fiscal impact to the State.

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.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2023

LB⁽¹⁾ 398 in Lieu of Tax Payments

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Game and Parks Commission

Prepared by: ⁽³⁾ Kay Mencl Date Prepared: ⁽⁴⁾ 1/17/2023 Phone: ⁽⁵⁾ 402-471-5189

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	_____	_____	1,322,055	_____
FEDERAL FUNDS	_____	_____	-3,526,805	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	1,322,055	_____
			-3,526,805	=====

Explanation of Estimate:

Currently the Commission pays an in lieu of tax payment on wildlife lands (WMA – Wildlife Management Areas) that have been acquired since January 1, 1977. Those payments total \$1,087,710.87 for 2022 holdings, covering around 71,000 acres.

Currently those payments are the same as the real property taxes which would have been paid on the land if it were owned by a private owner. The value is determined by the county assessor pursuant statute as if it were being used for the use it had immediately before acquisition by the commission, excluding any improvements on the land either before or after acquisition. The proposed language would require in lieu of tax payments on all wildlife lands ever acquired and at its highest and best use.

This would result in an increase in the in lieu of taxes by an estimated amount between \$1,322,055.12 and \$3,526,804.56 annually based on 2022 data. The lower figure accounts for adding lands that were acquired prior to 1977 at the average county assessment rate, whereas the higher amount figures those same lands PLUS existing lands calculated at the current average county assessment rates, less the current liability of just over \$1 million. The latter is an estimate of how the “highest and best use” could affect the rate. Highest and best use rates are unknown and will be county specific but will be presumably above the county average rate. The proposed operative date of the legislation is January 1, 2024; thus the new valued taxes would be paid in 2025 for the first time and adjust annually as new land is added or removed and valuation rates adjust over time so the figures provided will likely be low. Taxes are paid in the first half of a fiscal year.

Passage of the bill would require an A-bill to ensure adequate appropriations to cover the increased costs.

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.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2023

LB⁽¹⁾ 398

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dan Nolte Date Prepared: ⁽⁴⁾ January 20, 2023 Phone: ⁽⁵⁾ 402-441-8777

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: This legislation appears to have little impact on this Assessor's budget.

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.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2023

LB⁽¹⁾ 398

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1-24-23 Phone: ⁽⁵⁾ 402-441-6869

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:

Very little fiscal impact – the number of parcels in Lancaster County that Game & Parks makes payments on is very minimal.

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.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____