PREPARED BY: DATE PREPARED: PHONE: John Wiemer January 22, 2025 402-471-0051

LB 209

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 202	25-26	FY 20	26-27				
	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 209 would make changes to clarify language for the property tax exemption regarding skilled nursing facilities, nursing facilities, and assisted-living facilities.

The bill also would make changes to section 77-3506 so that those assigned a total disability rating for compensation pursuant to 38 C.F.R. 4.16 would receive 100% of the exempt amount as the exemption for their homestead under the Homestead Program.

This bill contains the emergency clause.

The Department of Revenue estimates minimal impact on General Fund expenditures and minimal costs to it as a result of the bill. There is no basis to disagree with these estimates.

Political subdivisions would be reimbursed for revenue losses associated with exemptions as a result of this bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB: 209 AM: AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds							
REVIEWED BY	: Ryan Yang	DATE: 1/16/2025	PHONE: (402) 471-4178				
COMMENTS: The Lancaster County Assessor/Register of Deeds assessment of no fiscal impact from LB 209 appears reasonable.							

Personal Services:

LB (1)	209							FISCAL NOTE	
State Agency OR Political Subdivision Name: (2)			Douglas County Assessor/Register of Deeds						
Prepare	Prepared by: (3) Michael Goodwillie		Da	te Prepared: ⁽⁴⁾	1/21/2025	Phone: (5	402-444-6703		
			ESTIMATE PROVI	DED BY	Y STATE AGEN	CY OR POLI	—— TICAL SUBDIVI	SION	
			EXPENDITURES	2025-26	<u>REVENUE</u>	EXPEN	<u>FY 202</u> <u>IDITURES</u>	REVENUE	
GENEI	RAL FUN	DS		_					
CASH I	FUNDS			_					
FEDER	AL FUN	DS		_					
OTHE	R FUNDS	,		_					
TOTAL	L FUNDS		0	_	0		0	<u> </u>	
adds a	group to 1	hose ve	: LB 209 does two the terans entitled to a he ir income.						
ruled the common for-properties assessment additional transfer of their of class comperturable disabilities.	nat nonpromunderst fit entitied tentional address of part whome, whose of peoposation put to secure ty rating,	ofit nurs anding s. That es about ministra of the b ithout re ple seek arsuant t or follo but at l	was certainly the viet new exemptions in a tive cost to this official adds a group of vergard to the value of ing homestead exempto 38 C.F.R. 4.16. The was ubstantially gain	ted-living on, base we express the associated as the final hoption.) at regulation occurrence of the file occurrence occurrence of the file occurrence o	ng facilities qual ed on the percen essed by the Dep ecause the bill d iated with the bi to the class that me or their inco The group woul lation includes t	ify for propert tage of Medic artment of Re- oes not affect ll. can receive a me. (Value and d be those assi hose whose se- the regulation,	y tax exemption aid beds at the favenue in material existing practice homestead exempted income are meadigned a total disarvice-connected on it appears to be	in the past, the cility, would apply to s it shared with county in this office, there is otion for the total value ans tests for a number	
section estimat Officer of veter At this	that revie e how ma for an est cans who point, de	ews hominy new timate of the negative pending	nestead applications a applicants there may f how many potentia	and last be—we l applica so would might g	year we had ove e have reached o ants there would d have to be hon get on this from	er 14,500 in th ut to Benson I l be under the neowners, whic Mr. Elmore, w	e homestead prog Elmore, the Coun bill. Of course, e ch would limit the e think there wo	ty Veterans Service even with a raw number e pool of the applicants.	

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

	NUMBER O	F POSITIONS	2025-26	2026-27	
POSITION TITLE	<u>25-26</u>	<u>26-27</u>	EXPENDITURES	EXPENDITURES	
Benefits					
Operating					
Travel					
Capital outlay					
Aid					
Capital improvements			<u> </u>		
TOTAL					

LB (1) 209			FISCAL NOTE					
State Agency OR Political Subdivision Name: (2)	Nebraska Association of County Officials							
Prepared by: (3) Elaine Menzel	Date Prepared: (4)	1/20 /2025 Phone	± (5) 402.434.5660					
ESTIMATE PROVI	DED BY STATE AGEN	CY OR POLITICAL SUBD	IVISION					
<u>FY :</u> <u>EXPENDITURES</u>	2025-26 <u>REVENUE</u>	<u>FY 2</u> <u>EXPENDITURES</u>	026-27 <u>REVENUE</u>					
GENERAL FUNDS								
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS								
Explanation of Estimate:								
county assessor would be required to pr personal property. Other restored duties The fiscal impact would be minimal.	would be performed b	y the Property Tax Admi						
<u>BREAKDOW</u> Personal Services:	N BY MAJOR OBJECT	S OF EXPENDITURE						
	UMBER OF POSITIONS 25-26 26-27	EXPENDITURES	2026-27 EXPENDITURES					
Benefits								
Operating								
Travel								
Capital outlay								
Aid								
Capital improvements								
TOTAL								

LB 209 Fiscal Note 2025

State Agency Estimate								
State Agency Name: Department of Revenue Date Due LFO:								
Approved by: James R. Kamm		Date Prepared:	01/21/2025 Phone: 471-5896					
	FY 2025-2026		FY 2026-2027		FY 2027-2028			
	Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue		
General Funds	See Below		See Below		See Below			
Cash Funds								
Federal Funds								
Other Funds								
Total Funds	See Below		See Below		See Below			

LB 209 deals with changes to homestead exemption for veterans. Currently, veterans who are permanently and totally physically disabled are entitled to a homestead exemption. These veterans are rated at 100% physically disabled by the Veterans Affair (VA). However, what is less clear is how veterans who have a less than a VA 100% permanently and total physical disabled rating should be treated when the veteran has a status of Individual Unemployability (IU). IU indicates that the veteran is unable to secure or follow gainful employment due to a service-connected disability and as a result the veteran is paid VA compensation at the level of a 100% permanently and total physical disabled rating. Since there has been inconsistent treatment of IU veterans, this proposed amendment gives clarification by explicitly granting a homestead exemption to IU veterans.

LB 209 also addressed property tax exemptions for profit and nonprofit nursing facilities. The bill clarifies the difference between how for profit and nonprofit nursing facilities are treated when it comes to property tax exemptions. This language clarifies changes made by LB 1317 in 2024 and is consistent with how county assessor offices are implementing the exemption.

A portion of veterans eligible under LB 209 may already be encompassed within the existing homestead program. Consequently, the precise fiscal impact of LB 209 remains indeterminate. However, it is anticipated that the effect on General Fund expenditures would be minimal.

It is estimated that there will be minimal costs to the Department of Revenue to implement this bill.

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

Major Objects of Expenditure								
Class Code	Classification Title	25-26 <u>FTE</u>	26-27 <u>FTE</u>	27-28 <u>FTE</u>	25-26 Expenditures	26-27 Expenditures	27-28 Expenditures	
Operating Costs								
Capital Outlay	nts							
Total								

LB ⁽¹⁾ 209						FISCAL NOTE				
State Agency OR I	Political Subdivision Name:	Lancas	Lancaster County Assessor/Register of Deeds							
Prepared by: (3) Dan Nolte		Date	Date Prepared: (4) 01/15/25 Pho		Phone: (5)	402-441-7463				
	ESTIMATE PRO	OVIDED BY S	TATE AGEN	ICY OR POLITICA	AL SUBDIVIS	ION				
				, 0 1 0 1 1 0 1 1 1 1 1						
	<u>I</u> EXPENDITUR	<u>FY 2025-26</u> FS	REVENUE	EXPENDIT	<u>FY 2026</u> TIRES	<u>-27</u> <u>REVENUE</u>				
GENERAL FUN						<u> </u>				
CASH FUNDS				-						
FEDERAL FUN				-						
OTHER FUNDS				-						
TOTAL FUNDS				<u> </u>						
Personal Service		<u>OWN BY MA</u>	JOR OBJECT	S OF EXPENDIT	<u>URE</u>					
	TION TITLE	NUMBER O 25-26	F POSITION <u>26-27</u>	S 2025-9 EXPENDIT		2026-27 EXPENDITURES				
Benefits				-						
										
Capital improve	ments									
TOTAL										