

PREPARED BY: John Wiemer
 DATE PREPARED: January 22, 2025
 PHONE: 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 2025-26		FY 2026-27	
	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.			

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

2025

LB⁽¹⁾ 209

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Goodwillie Date Prepared: ⁽⁴⁾ 1/21/2025 Phone: ⁽⁵⁾ 402-444-6703

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate: LB 209 does two things: It seeks to clarify a property tax exemption created last year and it adds a group to those veterans entitled to a homestead exemption for the full value of their property, regardless of the value of the home or their income.

The bill adds the words “for-profit” to the exemption created last year for “any” skilled nursing facility, nursing facility, or assisted living facility. Because the Legislature used the word “any” last year and because the state supreme court has ruled that nonprofit nursing homes and assisted-living facilities qualify for property tax exemption in the past, the common understanding was that the exemption, based on the percentage of Medicaid beds at the facility, would apply to for-profit entities. That was certainly the view expressed by the Department of Revenue in materials it shared with county assessment offices about new exemptions in 2025. Because the bill does not affect existing practice in this office, there is no additional administrative cost to this office associated with the bill.

The second part of the bill adds a group of veterans to the class that can receive a homestead exemption for the total value of their home, without regard to the value of that home or their income. (Value and income are means tests for a number of classes of people seeking homestead exemption.) The group would be those assigned a total disability rating for compensation pursuant to 38 C.F.R. 4.16. That regulation includes those whose service-connected disability renders them unable to secure or follow a substantially gainful occupation. From the regulation, it appears to be less than a 100% total disability rating, but at least 60% or, if more than one disability, one shall be at least 40% and the other needs to bring the total disability rating to 70% or more.

Adding any additional classes of applicants to homestead will add to staff time. Currently, our office has nine people in the section that reviews homestead applications and last year we had over 14,500 in the homestead program. It is hard to estimate how many new applicants there may be—we have reached out to Benson Elmore, the County Veterans Service Officer for an estimate of how many potential applicants there would be under the bill. Of course, even with a raw number of veterans who fit the new category, they also would have to be homeowners, which would limit the pool of the applicants. At this point, depending on the numbers we might get on this from Mr. Elmore, we think there would not be so many applicants as to require additional staffing. So, at this time, we see no fiscal impact to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</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.

2025

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 PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</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:

LB209 would provide for exemptions under the Personal Property Tax Relief Act. For tax years after 2024, the county assessor would be required to prepare an abstract of the property assessment rolls of locally assessed personal property. Other restored duties would be performed by the Property Tax Administrator.

The fiscal impact would be minimal.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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2025

LB⁽¹⁾ 209

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dan Nolte Date Prepared: ⁽⁴⁾ 01/15/25 Phone: ⁽⁵⁾ 402-441-7463

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</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 proposed legislation will have no fiscal impact on this office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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