

PREPARED BY: John Wiemer
DATE PREPARED: March 19, 2025
PHONE: 402-471-0051

LB 484

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 484 removes from section 77-1359 that agricultural land and horticultural land does not include land used for commercial purposes that are not agricultural or horticultural purposes, such as land used for a solar farm or wind farm.

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

A change in the taxable base for schools due to the change in classification of property could have an impact on state aid under TEEOSA, but any such amount is indeterminate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 484	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang		DATE: 3/18/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Revenue assessment of no fiscal impact from LB 484.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 484	AM:	AGENCY/POLT. SUB: Lancaster County, Nebraska	
REVIEWED BY: Ryan Yang		DATE: 2/4/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County, Nebraska assessment of indeterminate fiscal impact from LB 484.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 484	AM:	AGENCY/POLT. SUB: Douglas County Assessor/Register of Deeds	
REVIEWED BY: Ryan Yang		DATE: 2/1/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Douglas County Assessor/Register of Deeds assessment of no fiscal impact from LB 484.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 484	AM:	AGENCY/POLT. SUB: Lancaster County Assessor/Register Of Deeds	
REVIEWED BY: Ryan Yang		DATE: 1/28/25	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County Assessor/Register Of Deeds assessment of no fiscal impact from LB 484.			

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

2025

LB⁽¹⁾ 484

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Goodwillie Date Prepared: ⁽⁴⁾ 1/27/2025 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 484 would undo legislation adopted last year in LB 1317. That legislation removed from treatment as agricultural land, land used for commercial purposes that are not agricultural or horticultural such as land used for a solar or wind farm. This was somewhat confusing in that, with respect to windmills, for example, you could have an 80 acre (or more) parcel that was being planted in crops or being grazed but also had a couple of windmills on it. Did LB 1317 mean that despite the bulk of the acres being in crop, that the entire parcel would lose agricultural treatment for valuation purposes? Since agricultural land valuation is at 75% of market value as opposed to 100% of market value for commercial land, that portion of LB 1317 had some meaning, from a property tax standpoint for property owners in the situation described above.

LB 501 would remove that change made by LB 1317 and would not exclude from treatment as agricultural land, land that was predominantly used for the commercial production of plant or animal products, property that may have solar or wind farm equipment.

Douglas County has very little agricultural or horticultural land, in comparison to the rest of its tax base. Our office believes it can deal with this change with no additional administrative costs and see no fiscal impact from the bill.

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		

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

Prepared by: ⁽³⁾ Dan Nolte

Date Prepared: ⁽⁴⁾ 01/24/25

Phone: ⁽⁵⁾ 402-441-7463

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate: The proposed legislation would have no fiscal impact on this office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

Prepared by: ⁽³⁾ Dennis Meyer

Date Prepared: ⁽⁴⁾ 1/30/2025

Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

The existing renewable energy installations by Norris Public Power District and LES are owned and operated by public power entities. As public entities, their properties are generally exempt from property taxes. Therefore, the reclassification of land under LB484 would not have a fiscal impact on Lancaster County's current property tax revenues.

NextEra Energy Resources has proposed the Panama Energy Center, a utility-scale solar project in southern Lancaster County. The project is planned to cover approximately 2,442 acres. Construction is expected to begin in 2025, with operations commencing in 2026. The fiscal impact of LB484 on future property tax revenues from private renewable energy developments, such as the Panama Energy Center, will depend on the assessed value of the reclassified land and the applicable commercial property tax rates at the time the project becomes operational.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

State Agency Estimate

State Agency Name: Department of Revenue		Date Due LFO:	
Approved by: James R. Kamm		Date Prepared: 03/17/2025	
		Phone: 471-5896	
	FY 2025-2026	FY 2026-2027	FY 2027-2028
	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
General Funds			
Cash Funds			
Federal Funds			
Other Funds			
Total Funds	\$ 0	\$ 0	\$ 0

LB 484 redefines “agricultural and horticultural land” by removing the limitation that “agricultural and horticultural land does not include land used for commercial purposes that are not agricultural or horticultural purposes, such as land used for solar farm or wind farm.”

The Department estimates that LB 484 will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to DOR to implement this bill.

LB 484 operative date is three months after adjournment of the Legislature.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							