

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates) |                   |         |                   |         |
|---|-------------------|---------|-------------------|---------|
|   | <b>FY 2025-26</b> |         | <b>FY 2026-27</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 50 changes the distribution of the nameplate capacity tax.

Under the bill, the county treasurer shall distribute the nameplate capacity tax revenue received from the Department of Revenue (DOR) as follows:

- 5% of such revenue shall be distributed to the community college area in which the renewable energy generation facility is located; and
- The remainder of such revenue shall be distributed to local taxing entities which, but for such personal property tax exemption, would have received distribution of personal property tax revenue from depreciable personal property used directly in the generation of electricity using wind, solar, biomass, or landfill gas as the fuel source.

The DOR estimates no impact to General Fund revenues and minimal costs to it as a result of the bill. There is no basis to disagree with this estimate.

The Nebraska Community College Association estimates an increase in revenues to community colleges as a result of the bill based on 2023 nameplate capacity tax data, which results in \$569,944 per year to community colleges. Under the bill, community colleges would continue to get nameplate capacity tax from the remainder of the nameplate capacity tax revenue sent to the county after the first 5% sent to community colleges based on the levy of the community college.

Political subdivisions are estimated to have decreased revenue as a result of the bill. This decrease in revenue would occur when 5% of nameplate capacity revenue is first distributed to community college areas. After the 5% reduction, the remainder of the revenue is calculated based on the amount of taxes that the eligible local taxing entity levied during the taxable year and dividing this amount by the total tax levied by all of the eligible local taxing entities during the year. The resulting fraction for each eligible entity is then multiplied by the amount of remaining revenue available for distribution to determine the portion of revenue due to each local taxing entity.

|  |               |   |  |
|--|---------------|---|--|
| <b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>   |               |   |  |
| LB: 50   | AM:           | AGENCY/POLT. SUB: Department of Revenue |  |
| REVIEWED BY: Ryan Yang   | DATE: 2/14/25 | PHONE: (402) 471-4178                   |  |
| COMMENTS: No basis to disagree with the Department of Revenue assessment of no fiscal impact to the agency and General Fund revenues due to LB 50. |               |   |  |

|  |               |  |  |
|--|---------------|--|--|
| <b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>                       |               |  |  |
| LB: 50   | AM:           | AGENCY/POLT. SUB: Nebraska Community College Association |  |
| REVIEWED BY: Ryan Yang   | DATE: 1/16/25 | PHONE: (402) 471-4178                                    |  |
| COMMENTS: No basis to disagree with the Nebraska Community College Association assessment of fiscal impact from LB 50. |               |  |  |

|   |               |  |
|---|---------------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE                             |               |  |
| LB: 50  | AM:           | AGENCY/POLT. SUB: Metropolitan Community College |
| REVIEWED BY: Ryan Yang  | DATE: 1/13/25 | PHONE: (402) 471-4178                            |
| COMMENTS: No basis to disagree with the Metropolitan Community College assessment of no fiscal impact from LB 50. |               |  |

|  |               |                                    |
|--|---------------|------------------------------------|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE            |               |                                    |
| LB: 50   | AM:           | AGENCY/POLT. SUB: Lancaster County |
| REVIEWED BY: Ryan Yang   | DATE: 1/17/25 | PHONE: (402) 471-4178              |
| COMMENTS: No basis to disagree with the Lancaster County assessment of fiscal impact from LB 50. |               |                                    |

|   |               |  |
|---|---------------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE                         |               |  |
| LB: 50  | AM:           | AGENCY/POLT. SUB: Lancaster County Treasurer |
| REVIEWED BY: Ryan Yang  | DATE: 1/15/25 | PHONE: (402) 471-4178                        |
| COMMENTS: No basis to disagree with the Lancaster County Treasurer assessment of no fiscal impact from LB 50. |               |  |

|   |                 |  |
|---|-----------------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE                             |                 |  |
| LB: 50  | AM:             | AGENCY/POLT. SUB: Nebraska Association of County Officials |
| REVIEWED BY: Ryan Yang  | DATE: 1/14/2025 | PHONE: (402) 471-4178                                      |
| COMMENTS: The Nebraska Association of County Officials assessment of fiscal impact from LB 50 appears reasonable. |                 |  |



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

**2025**

**LB<sup>(1)</sup> LB50**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Community College Association

Prepared by: <sup>(3)</sup> Courtney Wittstruck Date Prepared: <sup>(4)</sup> Jan. 13, 2025 Phone: <sup>(5)</sup> 402-471-4685

**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      | _____               | \$569,944        | _____               | \$569,944        |
| CASH FUNDS         | _____               | _____            | _____               | _____            |
| FEDERAL FUNDS      | _____               | _____            | _____               | _____            |
| OTHER FUNDS        | _____               | _____            | _____               | _____            |
| <b>TOTAL FUNDS</b> | <u>_____</u>        | <u>\$569,944</u> | <u>_____</u>        | <u>\$569,944</u> |

**Explanation of Estimate:**

LB50 would have a net \$0 impact on the State of Nebraska.

The Nameplate Capacity tax is an excise tax and NOT a property tax (Banks v. Heineman, 286 Neb. 390, 837 N.W.2d 70 (2013)). Funds collected as part of the Nameplate Capacity Tax are distributed to entities based on the percentage of total property taxes they levied the previous year.

As a result of LB783, which was merged into LB243 and passed in 2023, Nebraska’s community college property tax levy authority was reduced from a maximum of 11.25 ¢ (per \$100 property evaluation), to 2 ¢. This reduction in property tax levy authority reduced the percentage of the Nameplate Tax revenue distributed to community colleges.

Because the Nameplate Capacity is NOT a property tax, its revenue was not included in the Community College Future Fund (CCFF), which was created to replace the community colleges’ lost property tax revenue. This lost revenue was not discovered until the community colleges’ new funding model went into effect and colleges found a budget gap where the Nameplate Capacity Tax revenue receipts had been. In the first year of the Community Colleges’ new funding model, they only received their proportion of Nameplate Tax revenue equivalent to up to 2¢ (maximum), instead of the up to 11.25¢ (maximum) they were eligible to receive in previous years.

In this “lost year”, the community colleges’ portion of the Nameplate tax was distributed to the rest of the political subdivisions according to the percentage of property taxes they levied – so they received the portion of property taxes that had previously gone to community colleges.

Essentially, the other political subdivisions received the community colleges’ portion of the Nameplate Tax, and this bill would simply correct that unintended consequence and reinstate that amount to the community colleges, as had been done every prior year since the tax’s inception.

This bill would have a net \$0 impact on the State of Nebraska. The purpose is to rectify an unintended consequence of the community college’s new funding model and redistribute 5% of the total Nameplate Capacity Tax (\$569,944) back to the community colleges, which is the amount the community colleges received prior to the creation of the Community College Future fund, dating back to inception of the Nameplate Capacity Tax in 2010.

**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<sup>(1)</sup> 50**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County Treasurer

Prepared by: <sup>(3)</sup> Rachel Garver Date Prepared: <sup>(4)</sup> Jan. 14, 2025 Phone: <sup>(5)</sup> 402-441-7425

**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:

No Fiscal Impact for the County Treasurer's 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<sup>(1)</sup> 50

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Dennis Meyer Date Prepared: <sup>(4)</sup> 1/15/2024 Phone: <sup>(5)</sup> 402-441-6869

**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 | \$0.00              | \$155.00       | \$0.00              | \$155.00       |
| CASH FUNDS    |                     |                |                     |                |
| FEDERAL FUNDS |                     |                |                     |                |
| OTHER FUNDS   |                     |                |                     |                |
| TOTAL FUNDS   |                     |                |                     |                |

Explanation of Estimate:

Lancaster County currently receives \$3,100 annually from the nameplate capacity tax.

Impact of LB50:

- 5% (\$155) will now be allocated to community colleges.
- The remaining 95% of Lancaster County's revenue (\$2,945) is unaffected.

This results in an annual revenue loss of \$155 for Lancaster County starting in FY 2025-26, which constitutes a 5% reduction of the county's current nameplate capacity tax revenue.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

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

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

**2025**

**LB<sup>(1)</sup> 50**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Metropolitan Community College

Prepared by: <sup>(3)</sup> Brenda Schumacher Date Prepared: <sup>(4)</sup> 1/13/2025 Phone: <sup>(5)</sup> (531)622-2406

**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      | <u>0</u>            | <u>0</u>        | <u>0</u>            | <u>0</u>        |
| CASH FUNDS         | <u>0</u>            | <u>0</u>        | <u>0</u>            | <u>0</u>        |
| FEDERAL FUNDS      | <u>0</u>            | <u>0</u>        | <u>0</u>            | <u>0</u>        |
| OTHER FUNDS        | <u>0</u>            | <u>0</u>        | <u>0</u>            | <u>0</u>        |
| <b>TOTAL FUNDS</b> | <b><u>0</u></b>     | <b><u>0</u></b> | <b><u>0</u></b>     | <b><u>0</u></b> |

**Explanation of Estimate:**

We currently do not receive any revenue from the nameplate capacity tax. We don't have any private equipment that is taxed in our four-county service area. I don't believe any changes due to this bill would change our revenue that we would receive.

**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..... |                            |              |                     |                     |
| <b>TOTAL.....</b>         |                            |              |                     |                     |



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

**2025**

**LB<sup>(1)</sup> 50**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/13/2025 Phone: <sup>(5)</sup> 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:**

LB 50 would require county treasurers to distribute 5% of the nameplate capacity tax to a community college in which a renewable energy generation facility is located. Currently, community colleges are not currently one of the taxing entities that the nameplate capacity is distributed to since they are funded through state aid primarily rather than property taxes.

The source for the information below is reported revenue from county budgets (we did not use the Department of Revenue because their reported amounts only indicate what goes to counties, not what county governments receive after further disbursement among the political subdivisions). According to 2023 data, 36 counties reported revenue from the nameplate capacity tax:

Hall, Scotts Bluff, Perkins, Colfax, Burt, Brown, York, Cherry, Dodge, Logan, Seward, Cuming, Adams, Polk, Dawson, Keya Paha, Lancaster, Wheeler, Fillmore, Madison, Washington, Kimball, Platte, Gage, Franklin, Knox, Custer, Richardson, Jefferson, Boone, Saline, Dixon, Holt, Webster, Antelope, and Wayne

The total amount was \$2,673,709. A 5% reduction would decrease this revenue to \$2,540,024 (a reduction of \$133,685 to counties).

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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