

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised per General File Amendments

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	1,287,868	0	0	0	1,287,868
FY2027-2028	1,003,783	0	0	0	1,003,783
FY2028-2029	1,007,183	0	0	0	1,007,183
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	(126,000)	0	0	0	(126,000)
FY2028-2029	(126,000)	0	0	0	(126,000)

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

LB 803 was amended by AM2651, AM2912, AM2967, FA1131, and FA1132 on General File. AM2651 is a white-copy amendment and contains the provisions of LB 938, LB 1116, and LB 1154 as well as the modified provisions of LB 575. AM2912 amends AM2651 to add the modified provisions of LB 882. AM2967 amends AM2651 to amend the provisions of LB 901, to change operative dates for the provisions connected to LB 575, and to further modify the provisions connected to LB 575 while FA1132 strikes the provisions in AM2967 which amended the provisions of LB 901. FA1131 amends AM2651 to further modify the provisions connected to LB 575. The details of LB 803, as amended, are discussed below.

Provisions of LB 938

The bill creates the First-Time Home Buyer Savings Account Act. This Act allows taxpayers who have never owned or purchased under contract for deed a single-family, owner-occupied primary residence to open a first-time home buyer savings account to be used to pay eligible expenses for the purchase or construction of a primary residence in Nebraska. Contributions to such an account are limited to \$5,000 per tax year for an individual and \$10,000 for joint filers, with a maximum of \$25,000 for individuals and \$50,000 for joint filers for all contributions for all taxable years.

The bill amends section 77-2716 to provide that for taxable years beginning on or after January 1, 2027, federal adjusted gross income shall be reduced by the amount contributed to a first-time home buyer savings account not to exceed \$5,000 for individuals and \$10,000 for those married filing jointly and, to the extent included, by an amount equal to any interest and other income earned during the taxable year on the investment of money in a first-time home buyer savings account. Federal adjusted gross income shall be increased by amounts recaptured.

Eligible expenses include down payments and any closing costs included on a real estate settlement statement or any downpayment costs and fees that may be included as part of financing the construction of a primary residence.

The bill requires that the Department of Revenue (DOR) establish a form for account holders to annually report information about the first-time home buyer savings account.

The DOR may adopt and promulgate rules and regulations to carry out the First-Time Home Buyer Savings Account Act.

Provisions of LB 1116

The bill amends the Sports Arena Facility Financing Assistance Act.

The bill amends section 13-3103 to provide that no more than 10 years, a change from 5 years, of funding for a sports complex located in a city of the second class or village shall be paid by state assistance received pursuant to section 13-3108.

The bill amends section 13-3105 to provide that within 30 days after completing the board’s review of an application under subsection (4) of section 13-3104, the board shall hold a public hearing on the application.

The bill amends section 13-3106 to provide that after consideration of the application and the evidence, the board shall determine whether or not to approve the application. For applications submitted on or after the operative date of this section, the board shall make its determination within 30 days after the public hearing held pursuant to section 13-3105. For applications submitted prior to the operative date of this section, the board shall make its determination within 30 days after the public hearing held pursuant to section 13-3105 or within 30 days after the operative date of this section, whichever period is later. The applications shall be approved unless the board finds that the project described in the application is ineligible or that state assistance is not in the best interest of the state.

The bill provides that in determining whether state assistance is in the best interest of the state, the board may, changed from shall, consider the fiscal and economic capacity of the applicant to finance the local share of the project.

Under the bill, all actions of the board shall be by a majority vote of the board members present at the board meeting, a change from a majority vote of all the board members, one of whom must be the Governor.

The bill amends section 13-3108 to provide that if the state assistance will be used to provide funding for a sports complex located in a city of the second class or village, such state assistance to the political subdivision shall no longer be available after 10 years, a change from 5 years, of funding or when state assistance reaches \$100 million, whichever comes first.

Provisions of LB 1154

LB 1154 amends section 13-3403 of the Property Growth Limitation Act to provide that the preliminary property tax request authority for each county, city, and village shall be the amount of property taxes requested and approved by each political subdivision and included on the budget document filed with the auditor in the prior fiscal year pursuant to subsection (2) of section 13-506, less the sum of exceptions utilized in the prior year pursuant to subdivisions (1), (2), (4), (5), (6), and (7) of section 13-3404. Under current law, subdivisions (1) to (7) all reduce the preliminary property tax request authority. This means subdivision (3) of section 13-3404, which is the amount of unused property tax request authority determined in accordance with section 13-3406, no longer reduces preliminary property tax request authority.

Modified Provisions of LB 575

The bill amends section 77-1315 to provide that on or before June 1, in addition to the notice of preliminary valuation sent pursuant to section 77-1301, the county assessor shall create a notice to be delivered to the owner of record as of May 20 of the assessed value of every item of real property not exempt from taxation which has been assessed at a value different than in the previous year. Such notice shall be delivered by first-class mail addressed to such owner's last-known address. The bill changes the requirements of the contents of the notice.

Section 77-1315 is also amended to provide that on or before June 1, each political subdivision levying a tax against property shall inform the county assessor of every county in which the political subdivision has the authority to levy such tax of the time and place of the political subdivision's first budget hearing. On or before June 1, the county assessor shall send the Property Tax Administrator a report which includes the name and address of every person receiving the discussed noticed and the county's website address where information shall be posted on the specified public hearings. On or before June 25, the DOR shall send each person listed in the report sent by the county assessor to the Property Tax Administrator a postcard containing information about the county's website address.

The bill modifies section 77-1632 of the Property Tax Request Act while outright repealing the rest of the Act.

The bill amends section 77-1632 to provide that if the governing body of a political subdivision seeks to set its property tax request at an amount that exceeds its property tax request in the prior year, it may do so, subject to the limitations provided in the School District Property Tax Limitation Act and the Property Tax Growth Limitation Act, after holding the public hearing required in subsection (4) of the section and by passing a resolution or ordinance, by a two-thirds majority vote except for seven member boards which shall require a four sevenths majority vote, that complies with subsection (5) of the section.

A new section is added to the bill and provides that each county and each city or school district levying a tax on property within a county shall participate in a joint public hearing. Each such political subdivision shall designate one representative to attend the joint public hearing on behalf of the political subdivision. At such hearing, there shall be no items on the agenda other than discussion on each political subdivision's budget process and preliminary information on relevant data that would impact the political subdivision's budget in the current year. At least one voting member of the governing body of each participating political subdivision shall attend the joint public hearing. The county assessor of the county in which the joint public hearing is being held shall also attend the hearing.

The joint public hearing shall be held on or after July 1 and prior to July 15 and before any of the participating political subdivisions file their adopted budget statement pursuant to section 13-508. The joint public hearing shall be held after 6 p.m. local time on the relevant date.

After the completion of the joint public hearing, the county clerk, or his or her designee, shall prepare a report regarding the hearing. Such report shall be delivered to the political subdivisions participating in the joint public hearing within 10 days after such hearing.

Modified Provisions of LB 882

The bill amends provisions connected to the Homestead Exemption Program.

The bill changes application requirements for homestead exemptions and eliminates subsequent applications for certain disabled veterans and unremarried spouses who have been granted a homestead exemption.

The bill provides that if an unremarried surviving spouse who has been granted a homestead exemption under subdivision (2)(b), (d), (e) or (f) of section 77-3506 remarries before attaining the age of 57 years, such spouse shall lose the homestead exemption. The surviving spouse shall notify the county assessor of such remarriage within 30 days after the remarriage.

If an unremarried surviving spouse who has applied for a homestead exemption under subdivision (2)(b), (d), (e) or (f) of section 77-3506 remarries on or before August 15 of the year of application and before attaining the age of 57 years, such spouse shall be ineligible for the homestead exemption. The surviving spouse shall notify the county assessor of such remarriage within 30 days after the remarriage.

The bill amends section 77-3510 to provide regarding homestead exemption forms that the forms shall require an affirmation for any applicant seeking an exemption under subdivision (2)(b), (d), (e) or (f) of section 77-3506 as prescribed by the Tax Commissioner that such applicant is aware that a surviving spouse is required to notify the county assessor of any remarriage that causes the surviving spouse to be ineligible for the exemption pursuant to subsection (4) of section 77-3506.

Revenues:

As a result of the provisions connected to LB 938, DOR estimates the following General Fund revenue decreases:

- FY28: (\$126,000)
- FY29: (\$126,000)

For the provisions connected to LB 1116, the DOR notes that based on the current number of applications and assuming they all get approved, these projects would decrease General Fund revenues by approximately \$24 million annually.

There is no basis to disagree with these estimates by DOR.

The changes under this bill connected to the provisions of LB 1154 allow for counties, cities, and villages to possibly have a higher preliminary property tax request authority to calculate overall property tax request authority compared to current law.

Expenditures:

The DOR estimates General Fund expenditures for a one-time programming charge of \$294,768 paid to the OCIO for mainframe and web development costs consisting of \$117,057 connected to the provisions of LB 938, \$8,880 connected to the provisions of LB 882, and \$168,831 connected to the provisions of LB 575. In subsequent years, the DOR estimates \$17,383 of General Fund expenditures for maintenance costs connected to the provisions of LB 575.

The DOR also estimates General Fund expenditures annually of \$875,000 to send taxpayers postcards as a result of the provisions connected to LB 575.

The DOR estimates a need for 0.5 FTE Information Technology Applications Developer-Senior and a Revenue Operations Clerk II.

There is no basis to disagree with these estimates by DOR.

The changes regarding the homestead exemption are reimbursements to political subdivisions paid from the state General Fund. The cost of the program could increase in future years due to elimination of the application requirement for certain recipients, as eligibility would no longer be reevaluated. The timing and extent of any such impact are indeterminate.

Responding political subdivisions estimate a possible increase in postage costs for the notices created on or before June 1, decrease in postage costs connected to the elimination of postcards currently sent in September with the elimination of the September hearings, and programming costs for notices mailed. Mailing changes take effect in 2027 with the operative date of January 1, 2027.

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

2026

LB⁽¹⁾ 803 AM2651 AM2912 AM2967 FA1131 FA1132

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska Auditor of Public Accounts

Prepared by: ⁽³⁾ Craig Kubicek

Date Prepared: 3/31/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-326-3063

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$0		\$0	
CASH FUNDS	\$0		\$0	
FEDERAL FUNDS	\$0		\$0	
OTHER FUNDS	\$0		\$0	
TOTAL FUNDS	\$0		\$0	

Explanation of Estimate:

We would plan to cover under current staffing levels.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</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.

2026

LB⁽¹⁾ LB803 AM2651 AM2912 AM2967 FA1131 FA1132

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Banking and Finance

Prepared by: ⁽³⁾ John Drahota Date Prepared: ⁽⁴⁾ 04/01/2026 Phone: ⁽⁵⁾ (402) 471-4954

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</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.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</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.

2026

LB⁽¹⁾ LB 803 AM2651 AM2912 AM2967 FA1131 FA1132

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Community College Association

Prepared by: ⁽³⁾ Courtney Wittstruck Date Prepared: ⁽⁴⁾ 4/1/2026 Phone: ⁽⁵⁾ 402.381.2084

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Explanation of Estimate:

No anticipated fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27 EXPENDITURES</u>	<u>2027-28 EXPENDITURES</u>
	<u>26-27</u>	<u>27-28</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2026

LB⁽¹⁾ 803 AM 2651

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Douglas County Assessor/Register of Deeds Office

Prepared by: ⁽³⁾ Michael J. Goodwillie

Date Prepared: ⁽⁴⁾ 3/24/2026

Phone: ⁽⁵⁾ (402) 444-6703

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0	0	0	0
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0	0	0

Explanation of Estimate:

AM 2651 would do a number of things that administratively would not add extra costs to the Douglas County Assessor/Register of Deeds Office, but would almost certainly add programming costs to the Douglas/Omaha Technology Commission (Dotcomm), in generating a drastically revised valuation change notice each year. The amendment does the following:

First, it seems to combine the valuation notices that goes to property owners no later than June 1 and the postcard that goes out in early September for the public hearing for those political subdivisions whose tax request exceed that of the previous year by more than 2% plus their growth percentage. The notice will require last year's value and the amount of taxes levied by the City, County, and School District and then the new value and, using the previous year's tax rate, the taxes for those political subdivisions if the levy rates stay the same. Then there is some required verbiage to add, including some that encourages people to attend the budget hearings of the city, county and school district. The notice also tells the recipients that if they do file a protest and do not attach documentation to substantiate their requested value, that the protest will be dismissed.

The amendment then requires the cities, counties, and school districts to provide the assessor with the time and place of their first budget hearing by June 15 and the assessor would then file a report with the state with that information, along with the names and addresses of every person getting a valuation notice, the county's website where the information regarding the time and place of the budget hearings for each subdivision and the time and place of a public hearing pursuant to the amendment. (That will take the place of the hearing currently held in September). The Department of Revenue will then send everyone getting a valuation notice a postcard about the website address.

The public hearing will be for all of the larger entities that levy property taxes--cities, schools, and school districts--and will be held between July 1 and July 15, rather than just those whose tax request exceeded a certain threshold. There are a dozen political subdivisions that would be participants in Douglas County. The subdivisions would talk about their budget process and the factors affecting the budget. The hearing would be after 6:00 and any member of the public who shows up would be allowed to speak.

The amendment would have these impacts: First, the postcards and public hearing in September would go away. Last year's cost for those postcards were around \$100K. But the hearing in July would include everyone--the city, county, and all of the school districts that headquarter in Douglas County--not just those subdivisions asking for more than a certain amount of taxes, making that hearing longer and more cumbersome. The logistics of that would fall on the Clerk's office.

The valuation notices would have to be radically changed to include the tax information from the previous year and the tax projection using the previous year's levy rate. There would be some work on that for our office and that of the clerk, but the programming to get the tax information into the notices would fall on Dotcomm. The number of notices would still be limited to the number of properties that had a value change, so fewer people would be notified than with the postcards, which went to all property owners in a particular subdivision.

In the end, our office would not sustain significant administrative costs—the work on the changes to the valuation notice can be done with existing staff and our office already absorbs the costs of valuation notices. But there would be significant time expenditures on the part of DOTCom and there may be some logistical issues for the Clerk in scheduling and conducting the public hearing, since the number of political subdivisions participating would be increased.

There have been several amendments that have been added to the bill:

FA1132: This will be the most significant in terms of administrative burden. It removes the section of AM 2967 that would put the sections dealing with valuation notices and the public hearing into effect three calendar months after the adjournment of the session on April 17. Three months would put these provisions into July—beyond the statutory notice date for valuation change notices of June 1 so the provisions would be in play for the first time for the 2027 tax year. FA1132 gets rid of that provision, so it appears that those sections are covered by the same emergency clause as the rest of the amendment, meaning the notice and public hearing changes outlined above will be in place for 2026. Administratively, here's what that looks like: There would be some work on that for our office and that of the county clerk, but the programming to get the tax information into the notices would fall on Dotcomm. With an e-clause, that leaves the last two weeks in April, and the first week or two of May for what seems like a pretty significant task to be accomplished prior to June 1, which is the last day on which the valuation change notices can be sent. The number of notices would still be limited to the number of properties that have changed in value from the previous years but in Douglas County, that number has been in the 100,000 range in recent years. In previous years, with the notice format unchanged, the printing piece of this has taken the better part of a week, so working back from that shortens the available time to alter the notice format and add the tax levy information even more. It will be a real struggle to program, print, and mail the new notices prior to June 1, 2026.

FA1131: This amendment would touch on political subdivisions that want to have a greater tax request than normally allowed under the provisions of the School District Property Tax Act and the Property Tax Growth Limitation Act and provides a requirement of a four sevenths vote, for seven member governing bodies, to exceed those limits. This would have no impact on our office.

AM 2912: This amendment would touch the homestead exemption program. It would change the application requirements for the category of those with service-connected disabilities and surviving spouses of certain classes of deceased veterans or those surviving spouses who have remarried after the age of 57. Currently, the service-connected disability class applies for homestead initially and then in subsequent years that are divisible by 0 and 5. Those other classes apply annually. The amendment would only require the initial application and then no subsequent applications for members of these classes. It also provides that member of the spouse category loses the exemption if he or she remarries prior to age 57 and requires the remarried spouse to notify the assessor of the marriage within thirty days. There is also a requirement that the homestead application form shall notify members of the spouse categories that remarriage prior to 57 would render them ineligible for the exemption.

There would be little or no administrative cost to this office imposed directly by the amendment. It does raise the issue of monitoring the classes of applicants who are "one and done" to ensure that they are still the occupants of their home. Homestead is limited to owner-occupants but there is no real requirement for anyone in homestead to notify the assessment office if he or she has moved. So, if the homestead recipient moves (or even passes on), and someone related to that recipient, who would not qualify for homestead, quietly moves into the house, that homestead exemption could continue for quite some time into the future without anyone knowing. While our office does not believe there would be a large number of these situations, there is the potential for some instances in which a homestead exemption continues when it should not.

AM2967: This amendment deals with a number of refundable credits against Nebraska Income Taxes, which would not affect this office. But it also would push the operative date for the sections dealing with valuation notices and public hearings to January 1, 2027. This would provide a longer window for counties to adjust their valuation notice process. In the circumstances of Douglas County, it wouldn't diminish the difficulty in completely revamping the valuation notices, especially to include the tax levy information. But a longer runway to make those changes would help to insure that when the new notices do roll out, in May of 2027, that they are accurate.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
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Operating.....				
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Travel.....				
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Capital				
outlay.....				
Aid.....				
.				
Capital				
improvements.....				
TOTAL.....				

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

2026

LB⁽¹⁾ 803, AM's 2651, 2912, 2967, 1131, 1132

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Lancaster County Assessor/Register of Deeds

Prepared by: ⁽³⁾ Dan Nolte

Date Prepared: 4/1/2026
⁽⁴⁾

Phone: ⁽⁵⁾ 402-441-7463

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$45,000			
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

There will be some programing costs for the changes. There may also be an increase in postage costs due to additional information requirements for the mailing. The additional mailing costs would continue into future fiscal years.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27 EXPENDITURES</u>	<u>2027-28 EXPENDITURES</u>
	<u>26-27</u>	<u>27-28</u>		
Benefits.....				
....				
Operating.....				
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Travel.....				
.				
Capital outlay.....				
Aid.....				
.				
Capital improvements.....				
TOTAL.....				

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

2026

LB⁽¹⁾ 803 AM2651 AM2912 AM2967 FA1131 FA1132

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Metropolitan Community College

Prepared by: ⁽³⁾ Brian DeNio

Date Prepared: 4/1/26
⁽⁴⁾

Phone: ⁽⁵⁾ (531)622-2515

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	<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

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 <u>EXPENDITURES</u>	2027-28 <u>EXPENDITURES</u>
	<u>26-27</u>	<u>27-28</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
...	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
.	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
.	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2026

LB⁽¹⁾ 803, AM2651 AM2912 AM2967 FA1131 FA1132 **FISCAL NOTE**

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 4/1/2026 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</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:				

LB803, AM2651 would add provisions of LB575 as amended LB938, LB1116, and LB154.

Sections 1 to 8, and 20 would create the First-Time Home Buyer Savings Account Act. No fiscal impact to counties.

Sections 9, 10, 11 12, 22 would revise the Sports Arena Facility Support Fund and permit second class cities and villages to use funds for ten years up from five. No fiscal impact to counties.

Sections 13 and 23 would amend provisions of the Property Tax Growth Limitation Act by removing a political subdivision's ability to subtract the prior year's unused property tax request authority from the current year's preliminary property tax request authority. No fiscal impact to counties.

The provisions of sections 14, 15, 16, 17, 18, 19, 23 and 24 are provisions from LB575. Section 14 would require specific language on the notice of preliminary valuation. Section 15 would amend section 77-1502 by adding language requiring taxpayers who wish to protest their valuations to provide documentation to the county board of equalization. Section 16 would amend section 77-1601 by replacing references to the Property Tax Request Act with a reference to section 77-1632, regarding property tax requests certified under such section. Section 17 would amend section 77-1632 by adding language clarifying the definition of "property tax request." Also, it would require a two-thirds majority vote for any political subdivision to exceed the amount of the previous year's property tax request.

Section 18 would create a new statute to require counties, cities, and school districts levying a tax on property within a county to hold a joint public hearing on the topic of budget process and preliminary information on budget impacts. At least one voting member of each political subdivision shall be in attendance at these hearings. Hearings are to be held between July 1 and July 15 after 6:00pm and they must be held prior to the filing of the adopted budget statements. Organizing the hearing and preparing a report of the hearing is the responsibility of the county clerk. A designated representative of each political subdivisions is required to brief the public on the budget process, budget impacts on property tax requests, the prior year's budget and property tax request, and any information that may impact the current year's budget. The public is allowed to speak at the hearing.

No fiscal impact.

LB803, AM2912 would change provisions relating to homestead exemptions for certain veterans and surviving spouses. The fiscal impact AM2912 would have on counties is minimal because the state reimburses counties for homestead exemptions; however, there would be additional processing time required by the assessor when a surviving spouse remarries and is required to notify the county assessor of any remarriage that causes the surviving spouse to be ineligible for the homestead exemption. This would be more than offset by removing the necessity of an annual application.

LB803, AM2967 includes language of January 1, 2027, for the effective date of portions of LB803, including provisions that would require additional notification language upon valuation notices. The additional information would require computer programming modifications. The fiscal impact would be minimal.

For a seven-person board, LB803, FA1131 would modify the number of members required to exceed its property tax request from two-thirds of the membership to a four-sevenths majority of the membership of the board. No fiscal impact.

LB803, FA1132 strikes a provision related to tax credits for nonprofit organizations. This provision has no fiscal impact to counties.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
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: 04/02/2026		Phone: 471-5896	
	FY 2026-2027		FY 2027-2028		FY 2028-2029		
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	
General Funds	\$1,287,868	\$ 0	\$1,003,783	(\$126,000)	\$1,007,183	(\$126,000)	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	\$1,287,868	\$ 0	\$1,003,783	(\$126,000)	\$1,007,183	(\$126,000)	

LB 803 amended by AM 2651 2912 2967 FA1131 FA1132 does the following:

First-Time Home Buyer Savings Account Act

AM 2651 amends Neb. Rev. Stat. §§ 77-2716 to adopt the First-Time Home Buyer Savings Account Act (Act) and its new section of §77-2716 allows for an individual income tax adjustment (reduction or an increase) of the federal adjusted gross income (AGI) starting January 1, 2027, for amount of contributions made by an account holder and any income from interest earned/received for this Savings Account. The purpose of this bill is to encourage first-time home ownership through incentivizing savings for a down payment and closing costs. An account holder must designate, no later than April 15 of the year following the taxable year during which the account is established, a first-time home buyer as the qualified beneficiary of the first-time home buyer savings account. This Account must be established for the purpose of paying or reimbursing eligible expenses for the purchase or construction of a primary residence in NE.

The eligible expenses include: the down payment, any closing costs included on a real estate or costs associated with the financing of the construction of a primary residence in Nebraska. Expenses will be also eligible for a primary residence outside of NE if the qualified beneficiary is an active-duty military and was stationed in NE for any time after the creation of the account. Finally, those above expenses would be eligible if the contract for purchase/construction did not close.

First-time home buyer means an individual who:

Major Objects of Expenditure							
<u>Class Code</u>	<u>Classification Title</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>28-29 FTE</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>	<u>28-29 Expenditures</u>
A07012	Information Technology Applications Developer/Senior	0.5	0.5	0.5	\$41,800	\$43,100	\$44,400
S29112	Revenue Op Clerk II	1.0	1.0	1.0	\$39,500	\$40,700	\$41,900
Benefits.....					\$26,800	\$27,600	\$28,500
....							
Operating Costs.....					\$1,169,768	\$892,383	\$892,383
Travel.....							
....							
Capital Outlay.....					\$10,000		
Capital Improvements.....							
Total.....					\$1,287,868	\$1,003,783	\$1,007,183
....							

1. Has never owned or purchased under contract for deed, either individually or jointly, a single-family, owner-occupied primary residence, including, but not limited to, a condominium unit or a manufactured or mobile home that is assessed and taxed as real property; or
2. As a result of the individual's dissolution of marriage, has not been listed on a property title for at least three consecutive years or more.

Recapture applies if a withdrawal is made within a certain period of time or if the money is used for a different purpose than allowed by the Act. The amount withdrawn will be added to the federal AGI. The Department of Revenue (DOR) shall assess 10% penalty of the recaptured amount of the withdrawal if the withdrawal is made more than ten years after the first deposit in the account, or five percent if the withdrawal is made ten or fewer years after the first deposit in the Account.

The Act allows the same individual to hold several Accounts (and to jointly own the Account with the other person filing jointly) and transfer amounts between different Accounts, provided each account has a different designated beneficiary. The max contribution for a taxable year is \$5,000 for a taxable year for an individual and \$10,000 for joint filers. The adjustment cannot exceed the aggregate lifetime limit of \$50, 000 for joint filers and for any other filers, \$25, 000.

The Act states that financial institutions are Not required to report any information to DOR. The financial institution is not responsible for reporting or remitting taxes or penalties related to the use of money in a first-time home buyer savings account.

Per Section 6 of LB 938, the DOR must do the following (at minimum):

1. Establish a form for an account holder to annually report information about a first-time home buyer savings account, including, but not limited to, how the money from the account is used, and
2. Identify any supporting documentation that is required to be maintained.

To be eligible for the subtraction in subsection (27) of section 77-2716, an account holder must: annually file with his or her state income tax return the completed form, the 1099 form for the account issued by the financial institution, and any other supporting documentation the department requires; maintain documentation for the first-time home buyer savings account and for eligible expenses related to the qualified beneficiary's purchase of his or her primary residence. The DOR may adopt and promulgate rules and regulations to implement the First-Time Homebuyers Savings Account Act.

Sports Arena Financing Facilities Act.

AM 2561 amends Neb. Rev. Stat. §§ 13-3103; 13-3105; 3106 and 13-3108 related to the Sports Arena Facility Financing Assistance Act. It changes the limitation on the length of state assistance for a sports complex located in a city of the second class or village from 5 years to 10 years.

Once the Board completes the review of the application, it will only have 30 days to hold a public hearing on it. Additionally, it imposes the Board to approve or deny the application within a specified timeframe: within 30 days after the public hearing for applications submitted on/after the effective date of the bill. For prior

applications, the Board shall decide within 30 days after the public hearing or within 30 days after the effective date of this act – whichever is later.

AM 2561 also changes the requirements of a majority vote to approve applications. The governor's vote would no longer be mandatory under this bills.

Property Taxes:

Section 13 of AM 2651 would reduce the preliminary property tax request authority for each political subdivision by all increase amounts authorized in Neb. Rev. Stat. § 13-3404, with the exception of subsection (3), which is the amount of unused property tax request authority determined in accordance with section 13-3406. Currently the amounts authorized in Neb. Rev. Stat. § 13-3404 subsection (1) to (7) all reduce the preliminary property tax request authority.

Section 14 would amend Neb. Rev. Stat. § 77-1315 by requiring that in addition to the notice of preliminary valuation and prior year's valuation delivered to property owners, the county assessor would deliver notice including the assessed value of property "not exempt" from tax. The notice must include the amount of tax levied by the city, county, and school district on the parcel. The notice would also include a statement that valuation protests may be made and the process for doing so. The statute would be further amended by requiring that by June 15 each year, any political subdivision levying a property tax must inform the county assessor in every county they have authority to levy property tax of the time and place of the political subdivision's first budget hearing. A failure to do so does not constitute a violation of the statute by the assessor, invalidate the political subdivision's property tax request, or constitute an unauthorized levy. The statute would also be amended by requiring the county assessor to send a report to the Property Tax Administrator of every taxpayer receiving notice of the preliminary valuation and the county's website address where certain additional information will be posted. The Department of Revenue will be required to send each taxpayer listed in the report a postcard containing information about the county's website address.

Section 15 would amend Neb. Rev. Stat. § 77-1502 by requiring property tax protest containing documentation sufficient for the county board to determine a different valuation or else be dismissed by the county board.

Sections 16, 17 and 24 would make changes to the property tax request act. First, Section 24 would repeal Neb. Rev. Stat. § 77-1630 which cites sections 77-1630 to 77-1634 as the Property Tax Request Act. Sec. 16 would amend Neb. Rev. Stat. § 77-1601 by changing citations to "requests certified under the Property Tax Request Act" to "requests certified under section 77-1632." Section 17 would then add a section to Neb. Rev. Stat. § 77-1632 defining "property tax request" as "the total amount of property taxes requested to be raised for a political subdivision through the levy imposed pursuant to Neb. Rev. Stat. § 77-1601."

Neb. Rev. Stat. § 77-1632 would be further amended by requiring a two-thirds majority vote of a governing body before exceeding its property tax request from the prior year. Under existing law, the statute requires a political subdivision pass a resolution in conformance with subsection (4) of the statute before exceeding their property tax request and imposes separate requirements that a county, city, or school must follow before increasing its property tax request by more than the allowable growth percentage.

The following statutes would be outright repealed by section 24: Neb. Rev. Stat. § 77-1634, which states penalties for noncompliance with the Act; Neb. Rev. Stat. § 77-1631, which defines allowable growth percentage, property tax request, real growth percentage, and real growth value; and Neb. Rev. Stat. § 77-1633, regarding public hearings for increases in property tax requests beyond the allowable growth percentage.

Section 18 would create a new section of law that must be followed by counties, cities and school districts levying property taxes. The new section would impose requirements for participation by the entities in a joint public hearing.

Section. 19: would amend Neb. Rev. Stat. § 77-1776 by citing Neb. Rev. Stat. § 77-1632 rather than the Property Tax Request Act.

Homestead Exemption Program:

AM 2912 would remove the requirement for subsequent annual applications and five year Veteran Affairs (VA) certifications for homestead exemptions claimed by veterans who are (1) 100% service connected permanently disabled or (2) assigned a total disability rating for compensation under 38 C.F.R. 4.16, and by their unremarried surviving spouses (and surviving spouses who remarry after age 57), including surviving spouses of veterans who died from a service connected disability or whose service connected death occurred while on active duty.

It would require that any surviving spouse who remarries before age 57 notify the county assessor of the remarriage within 30 days, and it would specify that a surviving spouse who remarries before age 57 on or before August 15 of the application year is ineligible for the exemption.

AM 2912 would also amend Neb. Rev. Stat. § 77 3510 to require that the homestead application form includes an affirmation by surviving spouse applicants acknowledging their duty to notify the county assessor of any remarriage.

Fiscal Impact:

It is estimated that the First-Time Home Buyer Savings Account Act will have the following fiscal impacts.

Fiscal year	General Fund revenues
FY 26-27	\$0
FY 27-28	(\$126,000)
FY 28-29	(\$126,000)

The fiscal impact for the included provision of LB 1116 - Sports Arena Financing Facilities Act: Based on the current number of applications and assuming they are all get approved, DOR estimates that these projects will reduce General Fund revenues by approximately \$24 million annually.

LB 803 as amended will require a one-time programming charge of \$294,768 paid to the OCIO for mainframe development and web development – to administer the First-Time Home Buyer Saving Account Act, to modify the existing Homestead web application, and new web application/portal for counties to submit their valuation change. Maintenance of the portal is estimated at \$17,383 in subsequent years.

The requirement under Neb. Rev. Stats. § 77-1315 for the DOR to send each taxpayer a postcard containing information about the county’s website address would cost \$875,000 annually for printing of postcard and postage.

The DOR will also need to hire 0.5 FTE Information Technology Applications Developer/Senior and 1.0 FTE Revenue Op Clerk II to implement the First-Time Home Buyer Saving Account Act.

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

LB: 803 AM: 2651, 2912, 1967, FA1131, FA1132 AGENCY/POLT. SUB: Nebraska Auditor of Public Accounts

REVIEWED BY: Ryan Yang DATE: 3/31/2026 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Auditor assessment of no fiscal impact from LB 803, as amended.

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

LB: 803 AM: 2651, 2912, 1967, FA1131, FA1132 AGENCY/POLT. SUB: Department of Banking and Finance

REVIEWED BY: Ryan Yang DATE: 4/2/2026 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Dept. of Banking and Finance assessment of no fiscal impact from LB 803, as amended.

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

LB: 803 AM: 2651, 2912, 1967, FA1131, FA1132 AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds

REVIEWED BY: Ryan Yang DATE: 4/2/2026 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Lancaster County Assessor assessment of fiscal impact from LB 803, as amended.

Technical Note: The expense reflected on the fiscal note shows the impact to the political subdivision and does not impact State General Fund expenditure.

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

LB: 803 AM: 2651, 2912, 1967, FA1131, FA1132 AGENCY/POLT. SUB: Metropolitan Community College

REVIEWED BY: Ryan Yang DATE: 4/2/2026 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Metropolitan Community College assessment of no fiscal impact from LB 803, as amended.

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

LB: 803 AM: 2651, 2912, 1967, FA1131, FA1132 AGENCY/POLT. SUB: Nebraska Community College Association

REVIEWED BY: Ryan Yang DATE: 4/2/2026 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Nebraska Community College Association assessment of no fiscal impact from LB 803, as amended.

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

LB: 803 AM: 2651, 2912, 1967, FA1131, FA1132 AGENCY/POLT. SUB: Nebraska Department of Revenue (NDOR)

REVIEWED BY: Ryan Yang DATE: 4/2/2026 PHONE: (402) 471-4178

COMMENTS: The NDOR assessment of fiscal impact from LB 803, as amended, appears reasonable.

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

LB: 803 AM: 2651, 2912, 1967, FA1131, FA1132 AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)

REVIEWED BY: Ryan Yang DATE: 4/2/2026 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the NACO assessment of no fiscal impact from LB 803, as amended.

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

LB: 803 AM: 2651, 2912, 1967, FA1131, FA1132 AGENCY/POLT. SUB: Douglas County Assessor

REVIEWED BY: Ryan Yang DATE: 4/2/2026 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Douglas County Assessor assessment of no fiscal impact from LB 803, as amended.