Doug Gibbs February 14, 2011 471-0051

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FISC	AL IMPACT – STAT	E AGENCIES *	
	FY 2011-	12	FY 201:	2-13
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$20,000		\$20,000	
CASH FUNDS		\$10,000		\$15,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$20,000	\$10,000	\$20,000	\$15,000

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 457 amends a number of Nebraska Statutes dealing with the property tax valuation process.

Section 77-1301 is amended to provide for a notice of preliminary valuation from the county assessor to real property owners. The preliminary valuation notice is to be provided on or before January 15 of each year. The county assessor may fulfill this requirement by mailing the notice to the taxpayer; publishing the notice on a web site maintained by the assessor or the county; or publishing the notice in a newspaper of general circulation in the county or in counties of 250,000 inhabitants in a daily legal newspaper of general circulation.

The bill amends Section 77-1311 to provide that between January 15 and March 15 of each year, an owner of real property shall have the opportunity to meet in person with the county assessor or their representative. At this meeting, the county assessor shall provide the property owner with a basis for the property valuation contained in the preliminary notification and accept from the property owner any information relevant to the property value.

Section 77-1502 is amended to allow someone protesting their property valuation to meet in person with the county board of equalization or a referee appointed by the county board, to present information relevant to the protest.

A number of sections are amended to change dates, from March 19 to March 31, and Section 77-5027 is amended to reduce from 19 days to 15 days following the final filing due date for the abstract of assessment for real property, by which the Property Tax Administrator must deliver their annual reports and opinions to the Tax Equalization and Review Commission and each county assessor.

The bill has an operative date of January 1, 2012.

The Department of Revenue has estimated the cost to implement LB 457 will be \$20,000 for both FY2011-12 and FY12-13. The basis for this cost is the requirement for meeting with property owners. Because the Department handles the assessment function for seven counties, the Department will incur this cost. However, the cost is somewhat mitigated because those counties are required to reimburse the Department for expenses as required by LB 121, passed in 2009. Reimbursement will go to the Department of Revenue Property Assessment Cash Fund and will be 50 percent the first year and 75 percent the second year.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials indicates that the bill could have significant fiscal impact on certain counties in the state. They indicate that while it is hard to make specific dollar estimates related to the proposed changes, several counties will be required to employ additional staff within the assessor's office to comply with the preliminary notification requirement.

Lancaster County indicated no fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

		BEFFIRMENT OF FIBE		
	REVIEWED BY	Lyn Heaton	DATE 2/16/11	PHONE 471-2526
COMMENTS				

LANCASTER COUNTY: No basis upon which to disagree with the county's estimate.

NEBRASKA ASSOCIATION OF COUNTY OFFICIALS: It is not unreasonable to assume that some counties will be affected by the new requirements.

2011

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JAN 25 2011 LEGISLATIVE VISCAL

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TOTAL.....

State Agency OR Political Subdivision Na	me: (2) Lancaster County		
Prepared by: (3) Norm Agena	Date Prepared: (4)	1/25/2011 Phone: (5)	441-7463
ESTIMATE PRO	OVIDED BY STATE AGEN	CY OR POLITICAL SUBDIVIS	ION
	W. 2011 2012	EW 2012	2012
<u>EXPENDITURI</u>	F <u>Y 2011-2012</u> E <u>S </u>	<u>FY 2012-</u> <u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL FUNDS			
No fiscal impact to Lancaster County.			
N	MAJOR OBJECTS OF EXPI	ENDITURE	2.210
Personal Services:			
POSITION TITLE	NUMBER OF POSITIONS 11-12 12-13	2011-2012 EXPENDITURES	2012-2013 EXPENDITURES
Benefits			
Operating			
Travel			
Capital outlay			
Aid		<u> </u>	
Capital improvements			

LEGISLATIVE FISCAL

LB 457

Fiscal Note

2011

		State Agency	Estimate			
State Agency Name: Department of	f Revenue				Date Due LFA:	2/16/11
Approved by: Douglas Ewald		Date Prepared:	2/10/11		Phone: 471-5700	
	FY 2011	-2012	FY 2012	-2013	FY 201	13-2014
	Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue
General Funds	\$ 20,000		\$ 20,000		\$ 0	
Cash Funds		\$10,000		\$15,000		_\$0_
Federal Funds						
Other Funds						
Total Funds	\$ 20,000	\$10,000	\$ 20,000	\$15,000	\$0	\$0

LB 457 requires all county assessors to provide owners of real property a notice of preliminary valuation on or before January 15 of each year. The notice can be published on a website, mailed to the property owner, or published in a legal newspaper of general circulation in the county.

The bill changes the annual required filing of the abstract of assessment from March 19 to March 31.

This bill provides the property owners the opportunity to meet in person with the county assessor or designated representative. During this meeting, the basis for the property valuation is to be explained and the property owner can provide further information that is relevant to the property value. This meeting with the assessor or designated representative must occur between January 15 and March 15 each year.

LB 457 amends §77-1502 to allow the protesters of real property to meet in person with the county board of equalization or a referee to provide information relevant to the protested property valuation.

The number of days the Property Tax Administrator has to prepare reports and opinions for each of the 93 counties is reduced from 19 days to 15 days following the filing date of the abstract of assessment.

It is estimated that the costs to the General Fund to implement this bill will be minimal.

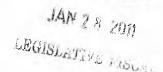
It is estimated that the cost to the Department to implement this bill will be \$20,000 for both FY 2012 and FY 2013. The basis for this estimate is the cost of meeting with owners of real property between January 15 and March 15, in seven counties beginning January 1, 2012. The affected counties will reimburse the Department of Revenue Property Assessment Cash Fund for these expenses, 50% the first year and 75% the second year.

	Maj	or Objects of I	Expendit	ure			
Class Code	Classification Title	11-12 FTE	12-13 <u>FTE</u>	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures
Benefits					L		
Operating Costs					\$ 20,000	\$ 20,000	
Capital Outlay	•••••		· · · · · · · · · · · · · · · · · · ·				
Total					\$ 20,000	\$ 20,000	

Date: 1/28/2011

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FISCAL NOTE LB457 Counties



Prepared By	Edwards, Jon
Date Prepared	1/28/2011
repared Phone	402-434-5660

Estimate Provided By State Agency or Political Subdivision

	FY 201	FY 2011-2012		2-2013
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds				

Explanation of Estimate:

As drafted, LB457 will have a significant fiscal impact on certain counties within NE. While it is hard to make specific dollar estimates related to the proposed changes within LB457, several counties will be required to employee additional staff within the assessors office in order to meet the new preliminary notification requirement proposed within LB457.

Major Objects of Expenditure

inajor objects of Experience					
	Number	of Positions	FY 2011-2012	FY 2012-2013	
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures	
		Benefits			
		Operating			
		Travel			
		Capital outlay			
		Aid			
		Capital improvements			
		Total			