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PREPARED BY: Doug Gibbs
DATE PREPARED: January 18, 2012
PHONE: 402-471-0051

LB 762

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 762 amends Nebraska Revised Statutes Section 77-1371 regarding comparable sales.

The bill defines a “qualified sale” and adds the requirement to the statute that to be a comparable sale for assessment purposes the sale must be a qualified sale. The bill also adds a definition of “arms-length transaction.”

In addition the bill provides that a sale of agricultural or horticultural land within one mile of a preexisting, operational agricultural or horticultural business purchased for the purpose of expanding such a business is considered to be “nearby property” and is not a qualified sale and, therefore, cannot be used as a comparable sale.

Also not to be considered a qualified sale is agricultural or horticultural land acquired in an Internal Revenue Code Section 1031 exchange, if the closing date is within sixty days of the completion date for the exchange.

Finally, the bill provides that the sale of residential land located within a platted and zoned residential subdivision is not land comparable to a farm home site. This provision limits comparable sales information in these cases to sales of farm home sites without the accompanying acreage.

The Department of Revenue indicates no fiscal impact to state revenues and that the bill will not result in any implementation cost for the Department.

We agree with the Department of Revenue’s estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials indicates that the fiscal impact of LB 762 is undetermined until it is know what impact the bill has on assessment practices.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	1/19/12	PHONE 471-2526
COMMENTS			
DEPT. OF REVENUE – The department’s analysis appears reasonable.			
NACO – No basis upon which to disagree.			
SARPY COUNTY – No basis upon which to disagree.			

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LB 762

Fiscal Note 2012

LEGISLATIVE FISCAL		State Agency Estimate					
State Agency Name: Department of Revenue		Date Prepared: 1/5/2012				Date Due LFA: 1/12/2012	
Approved by: Douglas Ewald						Phone: 471-5700	
	FY 2012-2013		FY 2013-2014		FY 2014-2015		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds							
Cash Funds							
Federal Funds							
Other Funds							
Total Funds							

LB 762 amends Neb. Rev. Stat. § 77-1371 to provide guidelines for considering what would be deemed “qualified” sales. Under the bill, qualified sales must be used in determining what counts as a comparable sale. Certain sales are automatically excluded from the definition of qualified sales: (1) nearby agricultural land when such land was acquired to expand a preexisting agricultural operation; and (2) agricultural land acquired in an Internal Revenue Code Section 1031 exchange, if the closing date is within 60 days of the completion date for the exchange.

LB 762 also contains a provision that residential land located within a platted and zoned residential subdivision is not comparable to a farm home site. This provision limits comparable sales information in cases to sales of farm home sites without the accompanying acreage. However, it is not clear that this would result in substantially different valuation of rural residential property.

The bill as drafted would not have an impact on state revenues, and would not result in any implementation costs for the Department.

Major Objects of Expenditure							
<u>Class Code</u>	<u>Classification Title</u>	12-13 <u>FTE</u>	13-14 <u>FTE</u>	14-15 <u>FTE</u>	12-13 <u>Expenditures</u>	13-14 <u>Expenditures</u>	14-15 <u>Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Aid.....							
Capital Improvements.....							
Total.....							

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

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LB⁽¹⁾ 762 FISCAL NOTE

LEGISLATIVE FISCAL

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

Prepared by: (3) Elaine Menzel Date Prepared: (4) 1/10/2012 Phone: (5) 402.434.5660, ext. 225

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Table with 4 columns: EXPENDITURES, REVENUE for FY 2012-2013 and EXPENDITURES, REVENUE for FY 2013-2014. Rows include GENERAL FUNDS, CASH FUNDS, FEDERAL FUNDS, OTHER FUNDS, and TOTAL FUNDS.

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB 762 is undetermined until it is known what impact, if any, the bill has on assessment practices.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

Table with 4 columns: POSITION TITLE, NUMBER OF POSITIONS (12-13, 13-14), 2012-2013 EXPENDITURES, and 2013-2014 EXPENDITURES. Rows include Benefits, Operating, Travel, Capital outlay, Aid, Capital improvements, and TOTAL.

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LB⁽¹⁾ 762 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Sarpy County LEGISLATIVE FISCAL

Prepared by: (3) Fred Uhe Date Prepared: (4) Jan. 17, 2012 Phone: (5) (402) 593-2106

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2012-2013		FY 2013-2014	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

It is extremely difficult to calculate the fiscal impact of this legislation. While it does impact the methodology used by the Sarpy County Assessor's, the availability of comparable parcels, the value of such parcels and current tax rates will determine the actual impact on the County. Additionally any reduction in tax receipts will impact other political subdivisions as well.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2012-2013	2013-2014
	12-13	13-14	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____