

PREPARED BY: Doug Gibbs &
Tom Bergquist
DATE PREPARED: February 05, 2014
PHONE: 402-471-0051

LB 813

Revision: 00

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

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

LB 670 amends Nebraska Revised Statutes dealing with the valuation of agricultural and horticultural land.

Section 77-201 is amended to phase in, over a two-year period, a change in the valuation percentage of agricultural and horticultural land as follows (the current percentage is 75%):

For tax year 2015: 70% of actual value
For tax year 2016: 65% of actual value
(and thereafter)

For agricultural and horticultural land receiving special valuation the change in valuation percentage is the same as above.

Section 77-5023 is amended to phase in, over a two-year period, a change in the acceptable range of valuation for agricultural and horticultural land as follows: (the current acceptable range is 69% to 75%):

For tax year 2015: 64% to 70% of actual value
For tax year 2016: 59% to 65% of actual value
(and thereafter)

For agricultural and horticultural land receiving special valuation the change in acceptable range percentage is the same as above.

Section 79-1016 is amended to phase in, over a two-year period, a change in the adjusted valuation percentage for purposes of determining state aid under TEEOSA as follows: (the current adjusted valuation is 72%):

For tax year 2015: 67% of actual value
For tax year 2016: 62% of actual value
(and thereafter)

For agricultural and horticultural land receiving special valuation the change in adjusted valuation is the same as above.

The bill has an operative date of January 1, 2015.

For purposes of equalization aid under TEEOSA, lowering the agricultural and horticultural land valuation, as proposed by LB 813, will result in a lower yield from local effort rate which results in higher equalization aid under the formula. The approximate increase in state equalization aid would be \$13.6 million in FY2014-15 and \$28.9 million in FY2015-16.

The Department of Revenue indicates minimal costs to implement the provisions of LB 813.

We agree with the Department estimate of cost to implement LB 813.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 813	AM:	AGENCY/POLT. SUB: NE Assoc. of County Officials (NACO)
REVIEWED BY: Lyn Heaton	DATE: 2/5/2014	PHONE: 402.471.4181
COMMENTS: The net impact on county budgets resulting from the reduction of the assessed valuation of agricultural and horticultural land is indeterminate as it is unknown to what extent counties would offset the reduction with an increase in levy rates or with reductions in spending.		

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

2014

LB⁽¹⁾ 813

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel

Date Prepared: ⁽⁴⁾ 1/13/2014

Phone: ⁽⁵⁾ 402.434.5660,
ext 225

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</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:

Agricultural land and horticultural land would be valued at 70 percent in tax year 2015 and 65 percent of its actual value in 2016. The current percentage is 75 percentage of its actual value. Additionally, the percentage of actual value would be reduced for the state aid provisions.

The fiscal impact of these provisions is unknown at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

