

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	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 185 adds another requirement for agricultural or horticultural land to qualify for special valuation: if the land is 5 contiguous acres or less, the owner or lessee must provide an IRS schedule F documenting profit or loss from farming for two out of the last three years to qualify for special valuation. If the owner or lessee is not able to provide such documentation, the land is disqualified from receiving special valuation.

The bill is effective January 1, 2020.

NACO estimates that counties could see additional administrative costs to process applications for special valuation, but there also could be increased property tax revenues from fewer parcels of land qualifying for special valuation. If the additional requirement to qualify for special valuation leads to fewer parcels receiving special valuation, other political subdivisions could see a positive impact on their property tax revenues as well. However, it is not possible to estimate the overall impact this added requirement will have on the number of parcels receiving special valuation or on property tax revenues.

The Department of Revenue estimates the bill will have a minimal impact on General Fund revenues.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 185	AM:	AGENCY/POLT. SUB: NACO	
REVIEWED BY: Lee Will	DATE: 1/17/2019	PHONE: (402) 471-4175	
COMMENTS: NACO's assessment of fiscal impact seems reasonable given the assumptions used.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 185	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 1/28/2019	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Revenue's assessment of minimal fiscal impact.			

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

2019

LB⁽¹⁾ 185

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/15/2019 Phone: ⁽⁵⁾ (402) 434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

If agricultural and horticultural land consists of five contiguous acres or less, the owner or lessee of the land must provide an IRS Schedule F documenting a profit or loss from farming for two out of the last three years in order for such land to qualify for special valuation. The owner or lease would be disqualified for not providing a profit loss form for last 2 of 3 years.

In counties where the value is influenced, this bill will increase the time and cost of processing applications for special valuation. It is possible that this could be offset by limiting the number of parcels qualifying for special valuation.

The fiscal impact to counties is unknown.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

