

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2019-20</b>		<b>FY 2020-21</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
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 482 provides that the county board of equalization must adjust the value of real property that is destroyed by fire or other natural disaster between January 1 and October 1 upon receiving a report of such destroyed property from the county assessor.

The adjusted value is the sum of the following three factors:

- The assessed value of the property before it became destroyed multiplied by a percentage representing the portion of the year during which the property was intact and not yet destroyed;
- The assessed value of the property as of the date of its destruction multiplied by a percentage representing the portion of the year during which the property as destroyed and no replacement property as yet been completed; and
- The assessed value of any replacement property as of the date of construction of such replacement property multiplied by a percentage representing the portion of the year during which construction of such property was complete.

The bill also provides a timetable for notice, decision, and appeals. The action of the county board may be appealed to the Tax Equalization and Review Commission. The bill has an operative date of January 1, 2020.

The Department of Revenue estimates the bill will require minimal cost to implement.

The bill could have an impact on property tax revenue to political subdivisions. However, it is not possible to estimate the amount because the number of parcels affected, the concentration of those parcels in any particular taxing district, and the extent of the change in value as calculated by the factors in the bill are all unknown.

If property valuation declines for purposes of property taxation, there could be an increase in state General Fund expenditures through the Tax Equity and Educational Opportunities Act formula, but we estimate any potential increase due to LB 482 would likely be minimal.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
<b>LB: 482</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Department of Revenue (016)</b>	
REVIEWED BY: Joe Wilcox	DATE: 02/25/2019	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the Nebraska Department of Revenue estimate of potential but Indeterminate Fiscal Impact on TEEOSA and potentially the State General Fund from LB 482.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
<b>LB: 482</b>	<b>AM:</b>	<b>AGENCY/POLT. SUB: Nebraska Association of County Officials</b>	
REVIEWED BY: Joe Wilcox	DATE: 01/24/2019	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the Nebraska Association of County Officials (NACO) estimate of potential but Indeterminate Fiscal Impact to Counties from LB 482.			



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

**2019**

**LB<sup>(1)</sup> 482**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/23/2019 Phone: <sup>(5)</sup> (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	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 482 provides a duty for the county assessor to report to the county board of equalization if real property is destroyed by fire or other natural disaster after January 1 and before October 1 of any year. The county board of equalization decision shall be made in accordance with a formula spelled out in the legislation.

The fiscal impact to Nebraska counties is unknown because the quantity of destroyed real properties that would be eligible for such an adjustment is unquantifiable at this time. However, it is anticipated the impact may be significant to a county or counties.

**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.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>