Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2021-22 EXPENDITURES REVENUE		FY 2022-23 EXPENDITURES REVENUE				
GENERAL FUNDS	See below	REVENUE	See below	REVENUE			
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 9 seeks to expand the definition of contiguous lands, lots, tracts, streets, or highways, relating to the annexation of such property.

Under LB 9, property that is sought to be annexed can qualify as contiguous even if a federal property or a natural resources district lies between the same and the corporate limits. Prior to this, contiguous land was only extended to that property which had a natural barrier, such as a stream, embankment, strip, or parcel of land thinner than 200 feet between its same and corporate limits.

Additionally, LB 9 allows agricultural land within the corporate bounds of a city or village to qualify for special valuation if such land is subject to air installation compatible use zone regulations or is within a flood plain.

LB 9 carries the emergency clause, and as such would become operative immediately upon passing.

The Department of Revenue estimates no fiscal impact to the Department as a result of LB 9. There is no basis to disagree with this estimate.

LB 9 will increase the amount of state aid calculated for TEEOSA, although it's difficult to estimate how much this amount would be.

Under LB 9, more land would qualify for special valuation, resulting in a reduction of the tax base for a given county and its political subdivisions. The Nebraska Association of County Officials expects a negative fiscal impact would be seen among counties, but was unable to provide any estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 9	AM: AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)				
REVIEWED BY:	Lee Will	DATE: 01/19/2021	PHONE: (402) 471-4175		
COMMENTS: Concur with NACO's assessment of fiscal impact.					

		State Agency	Esumate			
State Agency Name: Department of	Revenue				Date Due LFO:	
Approved by: Tony Fulton		Date Prepared:	2/4/2021		Phone: 471-5896	
	FY 202	1-2022	FY 2022-2023 FY 2023-2024			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

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LB 9 amends Neb. Rev. Stat. § 16-118 to provide that land, lots, tracts, streets, and highways that abut property owned by the federal government or a natural resources district are to be deemed contiguous to land, lots, tracts, streets, and highways sought to be annexed when the property is adjacent to or contiguous with property owned by the federal government or natural resource district.

LB 9 further amends Neb. Rev. Stat. § 77-1344 to provide that agricultural or horticultural land within the corporate boundaries of a city or village may be eligible for special valuation if that land is subject to air installation compatible use zone regulations or is within a flood plain.

This bill will have an effect on TEEOSA, which will have a corresponding impact on General Fund expenditures.

This bill contains an emergency clause and becomes law upon enactment.

It is estimated that there will be no cost to the Department to implement this bill.

Major Objects of Expenditure							
<u>Class Code</u>	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 <u>Expenditures</u>	22-23 Expenditures	23-24 <u>Expenditures</u>
Benefits							
Operating Costs							
Travel							
Capital Outlay							
Capital Improvements							
Total							

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 9					FISCAL NOTE			
State Agency OR P	olitical Subdivision Name: ⁽²⁾	Nebraska Association of County Officials (NACO)						
Prepared by: ⁽³⁾ Elaine Menzel		Date Prepared: ⁽⁴⁾ 1/14/2021		Phone: (5)	402.434.5660			
	ESTIMATE PROVID	DED BY STATE AGENO	Y OR POLITICAL S	UBDIVISIO	N			
	FY	2021-22		FY 2022	-23			
	EXPENDITURES	<u>REVENUE</u>	<u>EXPENDITUI</u>	<u>RES</u>	<u>REVENUE</u>			
GENERAL FUNI	DS							
CASH FUNDS								
FEDERAL FUND								
OTHER FUNDS								
TOTAL FUNDS								

Explanation of Estimate:

Change annexation requirements and property tax special valuation provisions. LB 9 would add additional situations in which special valuation could be applicable which would result in a lower valuation to the value of designated land and a reduction to the tax base of affected property within a county. Thus, it would result in a negative fiscal impact to counties.

BREAKE	OWN BY MAJ	OR OBJECTS O	F EXPENDITURE		
Personal Services:					
	NUMBER OF POSITIONS		2021-22	2022-23	
POSITION TITLE	21-22	22-23	EXPENDITURES	EXPENDITURES	
	·				
Benefits					
Operating					
Travel	•				
Capital outlay					
Aid					
Capital improvements					
TOTAL			<u> </u>		