

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	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 79 seeks to increase the minimum amount of relief granted under the Property Tax Credit Act. From tax years 2020 through 2023, the minimum amount granted shall be \$275 million. Starting in tax year 2024, the minimum amount granted will increased by the allowable growth percentage defined in section 77-6702. This growth percentage is equal to the percentage growth in the total assessed value of all real property in the year prior to the current year, with a max of 5%.

There would be no General Fund impact until after tax year 2023, when the allowable growth percentage goes into effect. The Department of Revenue estimates the following General Fund revenue loss, based on an assumption of 3.5% growth.

- FY24-25: (\$9,625,000)
- FY25-26: (\$19,587,000)
- FY26-27: (\$29,898,000)
- FY27-28: (\$40,569,000)
- FY28-29: (\$51,614,000)
- FY29-30: (\$63,045,000)

This would result in a corresponding increase in the amount credited to the Property Tax Credit Fund. The Fiscal Office agrees with the estimates provided by the Department of Revenue.

The Nebraska Association of County Officials (NACO) expects no fiscal impact to counties. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 79	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 02/08/2021	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Revenue's assessment of fiscal impact based on the assumption of 3.5% as an average growth annually.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 79	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Lee Will	DATE: 01/15/2021	PHONE: (402) 471-4175	
COMMENTS: Concur with NACO's assessment of the Property Tax Credit being increased by up to 5% for allowable growth in tax year 2024 and each year thereafter.			
Concur with NACO's assessment of no fiscal impact to the counties.			

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

2021

LB⁽¹⁾ 79

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/11/2021 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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:

Statutory minimum amount of the Property Tax Credit Relief would increase by allowable growth rate of 5 %. Although there would be an increase in the Property Tax Credit relief, there would be no fiscal impact to counties.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____