

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 466 seeks to require the proration of property taxes due on the sale of real property in the year it is sold. The proration is to be calculated based on the number of days the buyer and seller owned the property in the relevant year.

LB 466 would become operative 3 months after adjournment.

The Department of Revenue expects no fiscal impact to the General Fund or to the Department as a result of LB 466. There is no basis to disagree with this estimate.

The impact to counties is likely to be significant. The Lancaster County Assessor’s Office expects the need for two completely new positions, as tax billing is currently not a role fulfilled by the Assessor’s Office. The Nebraska Association of County Officials (NACO) concurs. NACO estimates all county assessor’s offices will require additional staffing, software, or some combination of the two to implement LB 466. There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 466	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 no fiscal impact to the State.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 466	AM:	AGENCY/POLT. SUB: Lancaster County Assessor	
REVIEWED BY: Lee Will	DATE: 02/08/2021	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with the need for additional resources within the Lancaster County Assessor’s Office to accommodate an estimated 12,000 deeds processed per year within Lancaster County.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 466	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Lee Will	DATE: 02/08/2021	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with NACO’s assessment of unknown fiscal impact to implement the bill.			

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

2021

LB⁽¹⁾ 466

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Assessor/ROD

Prepared by: ⁽³⁾ Scott Gaines Date Prepared: ⁽⁴⁾ 1/21/21 Phone: ⁽⁵⁾ 402-441-6580

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	\$167,000		\$138,600	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$167,000</u>		<u>\$138,600</u>	

Explanation of Estimate:

This legislation will create a completely new role for the Assessor’s Office, as we are not currently involved in the tax billing process. This bill, as written, creates a number of questions regarding exactly how the proration process would be implemented, the tax rates to be applied, the billing process, delinquency issues, and the effect on liens, etc.

This bill will require the addition of two employees and the associated costs for benefits, office furniture, computers, supplies, etc. There will also be a one-time cost for significant programming changes to the Assessor and/or Treasurer computer software systems.

It should be noted that this fiscal estimate assumes a very limited role for the Assessor’s Office in this new method of assigning tax liability. Should the Assessor’s role be determined to be much more in depth, additional expenditures would be required.

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>
Land Records Technician I	2	2	82,000	86,100
Benefits.....			50,000	52,500
Operating.....			20,000	
Travel.....				
Capital outlay.....			15,000	
Aid.....				
Capital improvements.....				
TOTAL.....			<u>167,000</u>	<u>138,600</u>

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

2021

LB⁽¹⁾ 466

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/20/2021 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:

LB 466 would require that whenever real property is sold, the county assessor of the county in which the real property is located would prorate the property taxes due on such real property for the year in which the sale occurred based on the number of days the buyer and seller owned the property during such year, unless the buyer and seller have agreed to a different proration of such property taxes.

Currently, the outlined requirements are typically handled through the closing documents signed by the buyer and seller. For the county assessor to make such a determination, the workload of assessors/assessors' staff would be increased and new software would be required. Further, the accounting for receipt of taxes paid would have to be coordinated with the county treasurer.

The costs would be difficult to quantify, as each county would likely have to determine their most efficient method to comply with this requirement.

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.....	_____	_____	_____	_____