

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 521 seeks to make changes to the requesting of tax exempt status for certain entities. Under LB 521, tax exemptions applications for property owned for agricultural and horticultural land, as well as property owned by educational, religious, or charitable organizations will be denied if they lack an estimated valuation, or any other required information. Additionally, LB 521 requires the Tax Commissioner to include a line for estimated valuation in the property tax exemption application form.

LB 521 becomes operative three months after adjournment.

The Department of Revenue estimate no fiscal impact to the General Fund or to the Department as a result of LB 521. There is no basis to disagree with this estimate.

The Nebraska Association of County Officials (NACO) estimates no fiscal impact to counties due to LB 521. This is concurred by the Lancaster County Assessor’s Office. The Douglas County Assessor’s Office estimates that the requirements of the bill may necessitate an additional staff person. There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 521	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 02/12/2021	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: 521	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Lee Will	DATE: 02/11/2021	PHONE: (402) 471-4175	
COMMENTS: Concur with NACO’s assessment of no fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 521 AM: AGENCY/POLT. SUB: Lancaster County Assessor

REVIEWED BY: Lee Will DATE: 01/25/2021 PHONE: (402) 471-4175

COMMENTS: Concur with the Lancaster County Assessor's assessment of no fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 521 AM: AGENCY/POLT. SUB: Douglas County Assessor/Register of Deeds Office

REVIEWED BY: Lee Will DATE: 02/16/2021 PHONE: (402) 471-4175

COMMENTS: No basis to disagree with the Douglas County Assessor/Register of Deed's Office's assessment of fiscal impact and need for an additional staff member if all items are required in filling out the required forms.

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

2021

LB⁽¹⁾ 521

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/21/2021 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:

LB521 would require all applications for exemption from property tax filed by charitable, religious, educational, or cemetery organizations to provide an estimated value; otherwise, the application for exemption would be dismissed. NACO estimates 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.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 521

FISCAL NOTE

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

Prepared by: ⁽³⁾ Scott Gaines Date Prepared: ⁽⁴⁾ 1/20/21 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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact to the Lancaster County Assessor's Office.

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.....	_____	_____	_____	_____

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

2021

LB⁽¹⁾ 521

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Douglas County Assessor/Register of Deeds Office

Prepared by: ⁽³⁾ Michael Goodwillie, Date Prepared: ⁽⁴⁾ 1/13/2021 Phone: ⁽⁵⁾ (402) 444-6703
Compliance Officer,
Douglas County
Assessor/Register of Deeds
Office

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	<u>\$64,067</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>\$64,067</u></u>	<u><u>0</u></u>	<u><u>\$64,067</u></u>	<u><u>0</u></u>

Explanation of Estimate: LB 521 adds the provision that property tax exemption applications that lack an estimated value of the property or any other required information, shall result in the denial of the application. This would result in one of two scenarios—either the assessor follows up with contact with the entity filing the application to obtain the missing information or the assessor’s office simply recommends denial of the application. In the first scenario, our office already does some of that for the most important items on the application—things like the use of the property or its ownership. But if everything on the application form is required, that contact would ramp up as our office contacted organizations that left things out that may not be particularly significant to the qualification of the property for property tax exemption but are required on the application. We think we would need to add a clerical person for some of that.

The second scenario would elevate form over substance. Not all of the information on the exemption application is vitally important to the qualification of the property for exemption. Things like the email address of a contact person, or the address of an officer or director is less important than other items on the form relating to the use of the property. By making denial of an application for missing information mandatory by using the word “shall”, the bill creates a situation where an assessor may be required to deny an application of an organization that clearly qualifies for an exemption otherwise. That organization will then appear at a county board meeting to contest the assessor’s recommendation of the denial of the application and the county board will grant the exemption, whether the organization supplies the missing information or not. The bill churns up some additional process where none is needed and county boards of equalization will ignore the law.

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>
<u>Assessor Support Tech</u>	<u>1</u>	<u>1</u>	<u>\$43,888</u>	<u>\$43,888</u>
<u>Benefits.....</u>	<u> </u>	<u> </u>	<u>\$20,179</u>	<u>\$20,179</u>
<u>Operating.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Travel.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Capital outlay.....</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Aid.....
Capital improvements.....
TOTAL.....

\$64,067

\$64,067