

PREPARED BY: Keisha Patent
 DATE PREPARED: February 22, 2022
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LB 1080

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2022-23		FY 2023-24	
	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 1080 amends provisions related to the homestead exemption regarding application frequency, certification of medical status, mailing of notice by county assessors, and penalties for failing to notify of a change in status. The bill also creates a new category of eligible veteran: veterans who were discharged honorably, drawing compensation from the US Department of Veterans Affairs because of a 100% service connected temporary disability and not eligible under the other enumerated categories; an unremarried spouse of such veteran; or a remarried spouse of such veteran who remarries after attaining the age of 57.

The Department of Revenue estimates no additional General Fund expenditures due to the created eligibility category because the persons described are already eligible under another enumerated category. The department also estimates minimal costs to implement the bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1080	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 2/22/2022	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Revenue assessment of minimal fiscal impact from LB 1080.			

Section 3 of LB 1080 amends Neb. Rev. Stat. § 77-3513 to clarify that county assessors are to mail a notice on or before April 1 in the year in which the homestead exemption application is due to owners of a homestead that have previously received a homestead exemption and strikes the language that limits such notice to only be sent to those receiving a homestead exemption in the previous year. No such notice is required if the claimant has already filed a homestead exemption application.

Section 4 of LB 1080 amends Neb. Rev. Stat. § 77-3522 to add “knowingly” assists another as a *mens rea* element needed to be proven in order find an individual guilty of a Class II misdemeanor for assisting another person in making a false statement or false representation to unlawfully obtain a homestead exemption.

New language is added to Section 77-3522 to make anyone who benefits from the 100% homestead exemption provided in Neb. Rev. Stat. § 77-3506(2)(a) and fails to notify the county assessor of a status change of a veteran including a change in rating, a transfer of property, or the death of the veteran, will owe the amount of tax due, but not paid because of the unlawful homestead exemption and a lien will be placed on the property until that amount of taxes is paid. This is in addition to a penalty equal to the amount of tax due, but not paid because of the unlawful homestead exemption. A further penalty of 20% of the taxes due on the homestead will be applied as well as a 14% interest rate will accrue on the penalty from date of delinquency of the tax until paid. Excluding interest, no penalty in excess of \$1,000 per year.

These additional taxes, penalties, interest, or forfeiture of exemption can be appealed pursuant to Neb. Rev. Stat. § 77-3520 by sending a written request for a hearing to the Tax Commissioner within 30 days from receiving the notice of tax, penalty, etc.

Currently, the homestead program includes both “permanent” and “temporary” disability veterans under category four, that is, a veteran receiving compensation from the U.S. DVA because of a 100% disability that was service connected. The Department of Revenue (DOR) estimates that this bill will have no impact on the General Fund expenditures.

It is estimated that there will be minimal costs to the DOR to implement this bill.

The operative date for this bill is January 1, 2023.