

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
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 820 adds, and changes, provisions related to agricultural and horticultural land valuation. The added provisions are known as the Agricultural Valuation Fairness Act. The bill also creates the Agricultural Land Valuation Committee (ALVC).

Under LB 820, agricultural and horticultural land is to be assessed at its agricultural use value based on the income potential of the land. The bill defines “agricultural use value” to mean the value of land for agricultural or horticultural purposes or uses without regard to the value of such land for other purposes or uses as determined pursuant to the Agricultural Valuation Fairness Act.

The income-approach calculation to determine agricultural use value will be completed by the county assessor according to the rules and regulations by the Tax Commissioner. For this calculation, agricultural and horticultural land are to be divided into classes and subclasses of real property. County assessors are to use the values for the class of agricultural land and horticultural land and the capitalization rates determined by the ALVC to determine the agricultural use value.

Under LB 820, the ALVC is to be created beginning on October 1, 2023. The purpose of the ALVC is to develop income and expense estimates for all agricultural land and horticultural land in Nebraska and capitalization rates necessary to produce uniform and proportionate assessed valuations. The ALVC is to ensure that the capitalization rates established result in an aggregate agricultural use value for the class of agricultural land and horticultural land that is between 69-75% of the actual value that the agricultural land and horticultural land has for agricultural or horticultural purposes. The committee is to meet annually in November to establish the assessed values for agricultural land and horticultural land. The ALVC is to consist of the following five people:

1. A representative of county assessors appointed by the Tax Commissioner
2. A representative of the agricultural and horticultural industry appointed by the Tax Commissioner
3. The Property Tax Administrator, or a designee of his or her staff, that will serve as chairperson of the committee
4. An appraiser from the private sector appointed by the Tax Commissioner
5. A faculty representative from the faculty of one of the research universities in the state specializing in agricultural economics

LB 820 creates a process for the county assessor to petition the Tax Commissioner and appeal to the Tax Equalization and Review Commission (TERC) if, based on facts and circumstances, he or she believes that the values for agricultural land and horticultural land as determined by the ALVC result in values that are not uniform and proportionate within the class of agricultural land and horticultural land. The Property Tax Administrator can petition the Tax Commissioner under LB 820 if, based on the facts and circumstances, he or she believes that any agricultural use value determined by the county assessor does not comply with the Agricultural Valuation Fairness Act and has the ability to appeal to the TERC. In addition, LB 820 discusses possibilities for any person to appeal to the TERC regarding agricultural use value.

The total statewide assessed value for agricultural land and horticultural land is to not increase more than 3.5% from the prior year, under LB 820. In years when the total statewide assessed value for agricultural land and horticultural land increases by more than 3.5% from the prior year, the Property Tax Administrator is to determine a single adjustment factor to proportionately reduce assessments to a statewide assessed value increase of 3.5% over the prior year.

The bill amends the Tax Equalization and Review Commission Act so that the TERC is to annually equalize the assessed value of real property that is residential and commercial, not all real property.

LB 820 makes changes so that for agricultural land and horticultural land, the agricultural use value provided in the Agricultural Valuation Fairness Act is utilized to determine state aid to school districts through the Tax Equity and Educational Opportunities Support Act (TEEOSA).

The Department of Revenue (DOR) estimates fiscal impact to General Fund expenditures as a result of LB 820 altering the state aid value of the TEEOSA fund. The DOR estimates minimal costs to implement the bill. There is no basis to disagree with these estimates.

The Department of Education estimates an indeterminant fiscal impact from this bill as the changes to agricultural land and horticultural land value under this bill are unknown and TEEOSA funding for this bill unable to be determined. There is no basis to disagree with this estimate.

The Nebraska Public Service Commission, Nebraska Real Property Appraiser Board, and TERC estimate no fiscal impact regarding their role for this bill. There is no basis to disagree with these estimates.

The Board of Educational Lands and Funds estimates a possible fiscal impact depending upon results of the revised valuation process. For reference, total real estate taxes for this Board for FY 2022 were \$11,767,183. If the revised valuation process would result in lower agricultural land valuation, this would decrease the Board's expenditures on real estate taxes. If the revised valuation process would result in higher agricultural land valuation, this would increase the agency's expenditures on real estate taxes. Thus, the fiscal impact to the Board of Educational Lands and Funds is indeterminate. There is no basis to disagree with this estimate.

The Lancaster County Assessor estimates costs for system modifications to be made as a result of the new structure of classification for agricultural land established in LB 820 and for reporting for the abstract of assessment. The Lancaster County Assessor estimates expenditures of \$95,000 for FY 2023-24 and \$45,000 for FY 2024-25 to cover costs related to system modifications and additional staff time. Costs for political subdivisions to implement the bill would vary by subdivision.

The Nebraska Association of County Officials estimate an indeterminate fiscal impact that would vary by county.

The provisions of LB 820 are likely to change the valuation of agricultural and horticultural land relative to current valuation. However, any amount of such impact is indeterminate. This would have an impact on all political subdivisions that levy property taxes, and any such impact would vary by political subdivision. Changes in property and horticultural land would also have an indeterminate impact on the General Fund expenditures required pursuant to TEEOSA. It is not possible at this time to estimate the impact to the State General Fund.

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

LB: 820 AM: AGENCY/POLT. SUB: Department of Revenue

REVIEWED BY: Neil Sullivan DATE: 2/1/2023 PHONE: (402) 471-4179

COMMENTS: The Department of Revenue assessment of no fiscal impact for implementation of LB 820 appears reasonable.

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

LB: 820 AM: AGENCY/POLT. SUB: Public Service Commission

REVIEWED BY: Neil Sullivan DATE: 2/1/2023 PHONE: (402) 471-4179

COMMENTS: No basis to disagree with the Public Service Commission assessment of no fiscal impact from LB 820.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 820	AM:	AGENCY/POLT. SUB: Real Property Appraiser Board
REVIEWED BY: Neil Sullivan	DATE: 1/31/2023	PHONE: (402) 471-4179
COMMENTS: The Real Property Appraiser Board assessment of no fiscal impact from LB 820 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 820	AM:	AGENCY/POLT. SUB: Tax Equalization & Review Commission
REVIEWED BY: Neil Sullivan	DATE: 1/31/2023	PHONE: (402) 471-4179
COMMENTS: The Tax Equalization & Review Commission assessment of no fiscal impact from LB 820 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 820	AM:	AGENCY/POLT. SUB: Board of Educational Lands & Funds
REVIEWED BY: Neil Sullivan	DATE: 2/1/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Board of Educational Lands & Funds assessment of indeterminate impact from LB 820.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 820	AM:	AGENCY/POLT. SUB: Lancaster County Assessor
REVIEWED BY: Neil Sullivan	DATE: 2/1/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the assessment of local fiscal impact to the Lancaster County Assessor from LB 820.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 820	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials
REVIEWED BY: Neil Sullivan	DATE: 2/1/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Nebraska Association of County Officials assessment of indeterminate impact from LB 820.		

rates used result in an aggregate agricultural use value for the class of agricultural and horticultural land that is between 69-75% of the actual value that the agricultural land and horticultural land has for agricultural or horticultural purposes.

Remedial Actions:

(1) If a county assessor believes that using the assessment values as determined by the ALVC results in values that are not uniform and proportionate within the class of agricultural/horticultural land, the assessor can petition the Tax Commissioner for alternative values to be applied to that class on or before February 1 and must show that the use of the ALVC values result in values that are not uniform and proportionate. The Tax Commissioner must issue a written order on the matter no later than March 31.

(2) If the PTA determines that an agricultural use value as determined by a county assessor does not comply with requirements of the Agricultural Valuation Fairness Act, the PTA may petition the Tax commissioner, on or before April 7, for an order to adjust the agricultural use value to achieve compliance with the act. The Tax Commissioner must issue a written order to the PTA no later than May 1.

(3) When either a county assessor or the PTA petitions the Tax commissioner, a hearing will be held where the parties can present evidence. The Tax Commissioner's order can be appealed within 30 days to the Tax Equalization and Review Commission (TERC).

The total statewide assessed value for agricultural land and horticultural land is prohibited from increasing more than 3.5% from the prior year. If the increase is more than 3.5%, the PTA will determine the single adjustment factor to proportionately reduce assessments to a statewide assessed value increase of 3.5% over the prior year.

LB 820 amends the Tax Equalization and Review Commission Act to limit the commission's authority to equalize the assessed value of only commercial and residential property. The bill specifies that for purposes of calculating state aid to schools, the state aid value for agricultural and horticultural land is the agricultural use value.

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

It is estimated that this bill alters the state aid value of TEEOSA fund, which will have a corresponding impact on General Fund expenditures.

It is estimated that there will be minimal cost to Department of Revenue to implement this bill.

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

2023

LB⁽¹⁾ 820

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Dept of Education

Prepared by: ⁽³⁾ Kevin Lyons Date Prepared: ⁽⁴⁾ 2/1/2023 Phone: ⁽⁵⁾ 402-450-1418

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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 820 creates the Agricultural Valuation Fairness Act. Agricultural land and horticultural land shall be valued at its agricultural use value under this act regardless of any value which land might have for purposes other than agricultural or horticultural purposes. Agricultural use value shall be determined each year as of January 1. The county assessor shall use an income-approach calculation to determine the agricultural use value for each assessment year. They will use the values for the class of agricultural land and horticultural land and the capitalization rates determined by the Agricultural Land Valuation Committee (created on October 1, 2023) to determine the use value. This committee shall establish the capitalization rates to be applied to each class of subclass of agricultural land and horticultural land within each county. The total statewide value of agricultural land and horticultural land shall not increase more than 3.5% from the prior year. If it exceeds 3.5%, the Property Tax Administrator shall determine a single adjustment factor to proportionately reduce assessments to 3.5%

Estimated amounts for the Agricultural Valuation Fairness Act cannot be calculated at this time due to unknown changes in agricultural land and horticultural land value under this Act. TEEOSA funding for this bill cannot be calculated with the proposed changes in total valuations per district.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24 EXPENDITURES</u>	<u>2024-25 EXPENDITURES</u>
	<u>23-24</u>	<u>24-25</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2023

LB⁽¹⁾ 820

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Public Service Commission

Prepared by: ⁽³⁾ Laurie Casados Date Prepared: ⁽⁴⁾ 2/1/2023 Phone: ⁽⁵⁾ 402-471-0252

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

This bill has no fiscal impact for the Nebraska Public Service Commission.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>

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

2023

LB⁽¹⁾ 820

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Real Property Appraiser Board

Prepared by: ⁽³⁾ Tyler Kohtz Date Prepared: ⁽⁴⁾ January 27, 2023 Phone: ⁽⁵⁾ 402-471-9025

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

This bill will have no fiscal impact on the Nebraska Real Property Appraiser Board.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	<u>0</u>	<u>0</u>
Operating.....	_____	_____	<u>0</u>	<u>0</u>
Travel.....	_____	_____	<u>0</u>	<u>0</u>
Capital outlay.....	_____	_____	<u>0</u>	<u>0</u>
Aid.....	_____	_____	<u>0</u>	<u>0</u>
Capital improvements.....	_____	_____	<u>0</u>	<u>0</u>
TOTAL.....	_____	_____	<u>0</u>	<u>0</u>

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

2023

LB⁽¹⁾ 820

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Tax Equalization & Review Commission

Prepared by: ⁽³⁾ Rob Hotz Date Prepared: ⁽⁴⁾ January 30, 2023 Phone: ⁽⁵⁾ 402-471-2842

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</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.

2023

LB⁽¹⁾ 820

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Board of Educational Lands and Funds

Prepared by: ⁽³⁾ Kelly L. Sudbeck Date Prepared: ⁽⁴⁾ 1-31-2023 Phone: ⁽⁵⁾ 471-2014

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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 820 apparently seeks to change the process of valuing agricultural and horticultural land for real property tax purposes. At this time, we are unable to estimate a total cost or benefit to this agency. If the suggested revised valuation process results in lower agricultural land valuations, and/or lower real estate taxes, this Agency's expenditures for real estate taxes would correspondingly decrease, and would therefore cause an increase in net revenue. If the revised valuation process results in higher agricultural real estate valuations, and/or higher real estate taxes, this Agency's expenditures for real estate taxes would correspondingly increase, and would therefore cause a decrease in net revenue. Without more details, including estimated or actual tax assessments, the Board of Educational Lands and Funds cannot estimate the fiscal impact from LB 820 to this Agency.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24 EXPENDITURES</u>	<u>2024-25 EXPENDITURES</u>
	<u>23-24</u>	<u>24-25</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2023

LB⁽¹⁾ 820

FISCAL NOTE

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

Prepared by: ⁽³⁾ Derrick Niederklein Date Prepared: ⁽⁴⁾ 1/31/2023 Phone: ⁽⁵⁾ 402.441.8755

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$95,000		\$45,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$95,000</u>		<u>\$45,000</u>	

Explanation of Estimate:

LB 820 establishes new subclasses of grass land (pasture and hay land) necessary for valuation under the income approach, requiring inspection and classification of approximately 77,000 acres by December 2023.

Outright repeal of Special Value (Greenbelt) provisions, allowing parcels within the corporate boundaries of a municipality to receive agricultural use value which would require review and inspection of approximately 500 parcels and collection of information from the owner to determine commercial agricultural use.

System modifications would be necessary to maintain a new structure of classification for agricultural land at its use value, and maintain a separate structure of classification for accretion, wasteland, orchards, vineyards, nurseries to be valued according to its actual value. Further system modifications for reporting corrections to abstract of assessment. Programming charges estimated at \$25,000 in billed hours and internal staff time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Appraiser	.75	.5	60,000	40,000
Benefits.....			10,000	5,000
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2023

LB⁽¹⁾ 820

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/31/2023 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</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:

LB820 would create the Agricultural Valuation Fairness Act and modify the review process of ag land valuation protests. In 2022, there was a total of \$89,390,290,871 in ag land real valuations and \$1,166,827,718 taxes levied to ag land real property in Nebraska.

The fiscal impact of LB820 is unknown. However, the fiscal impact could vary significantly, particularly if the ag land value is reduced significantly in a county. For instance, in 2022, 9 counties (Adams, Banner, Cheyenne, Deuel, Garden, Kimball, Rock, Scotts Bluff, and Thurston) had county tax levy rates in excess of \$0.40. Counties are statutorily limited to a maximum levy rate of \$0.50. Counties with a levy rate in excess of 40 cents are more likely to be impacted by a shift in valuation, especially in those counties where a majority of the valuation base is in the agricultural sector.

A reduction in ag land valuation will result in a shift in property taxes from ag land to residential and commercial properties to account for the reduction in ag land valuation that is possible due to the passage of LB820 in some counties, particularly in counties with a high percentage of their total valuation base in agricultural real property.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____