

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	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 893 would make changes to the ImagiNE Nebraska Act to add a property tax exemption for business equipment that is located at a qualified location or locations for the manufacturing of liquid fertilizer or any other chemical applied to agricultural crops, or the manufacturing of any liquid additive for a farm vehicle fuel.

The Department of Revenue estimates no impact to General Fund revenues and no cost to it as a result of the bill. There is no basis to disagree with these estimates.

The Department of Economic Development estimates minimal fiscal impact to it as a result of the bill. There is no basis to disagree with this estimate.

The Nebraska Association of County Officials estimates a negative fiscal impact to counties due to property tax exemptions that could occur in 17 counties if the requirements under the Act are met.

Any change in property valuation in a school district could have an impact on TEEOSA state aid, although a specific amount is unknown.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 893	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 2/13/2024	PHONE: (402) 471-4179	
COMMENTS: The Department of Revenue assessment of no fiscal impact from LB 893 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 893	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Neil Sullivan	DATE: 2/12/2024	PHONE: (402) 471-4179	
COMMENTS: The Department of Economic Development assessment of minimal fiscal impact from LB 893 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 893	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY: Neil Sullivan	DATE: 2/12/2024	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Nebraska Association of County Officials assessment of fiscal impact from LB 893.			

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

2024

LB⁽¹⁾ 893

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Economic Development

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 2/06/2024 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

LB893 would amend the Imagine Nebraska Act to award a property tax exemption to qualified taxpayers for business equipment for manufacturing liquid fertilizers, agricultural chemical agents, or liquid additives for farm vehicle fuel in qualified locations. The tax exemption applies if the taxpayer qualifies under the Quality Jobs Investment or Modernization levels of the Imagine act. Claims for the exemption must be filed by the taxpayer before May 1st of each year.

LB893 will have a minimal impact on DED operations and can be accomplished with current resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</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.

2024

LB⁽¹⁾ 893

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/10/2024 Phone: ⁽⁵⁾ 402.434.5660

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ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

Within the Imagine Act, LB 893 would add to the definition of business equipment class of property:

the manufacturing of liquid fertilizer or any other chemical applied to agricultural crops, or the manufacturing of any liquid additive for a farm vehicle fuel.

Seventeen counties in Nebraska have a fertilizer or ag lime manufacturing facility. LB893 would affect the personal property tax for 25 manufacturing facilities in these 17 counties.

County	Fertilizer/Soil Conditioner	Ag lime	County	Fertilizer/Soil Conditioner	Ag lime
Cass	1	3	Lancaster	1	
Dawson	Planned		Nuckolls	1	
Douglas	2		Pawnee		1
Fillmore	3		Platte	1	
Gage	1	2	Sarpy	1	1
Hall	1		Saunders		1
Hitchcock	1		Washington		1
Holt	1		York	1	
Jefferson		1			

First, the following information does not include the planned fertilizer plant in Dawson County. It is unknown how many tax dollars Dawson County will lose if this legislation passes. Second, the total personal property tax revenue from the 25 plants in 17 counties in 2023 was \$596,521. However, this includes a large plant in Hall County whose tax was \$233,517, and it is unknown what portion of this would be affected by LB893 since presumably not all of the plant is dedicated to fertilizer manufacturing. Therefore, minus Hall County, the total is \$363,005. Finally, if the ag lime total is subtracted from the total, the amount is \$321,220.

The fiscal impact to counties is expected to be a loss of approximately a high of \$596,521 and a low estimate of \$321,220. These figures assume that the companies are meeting the hiring and investment thresholds set forth by LB893.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2024-25	2025-26
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

