

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$540,764		\$408,035,992	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$540,764</b>		<b>\$408,035,992</b>	

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 77 would establish the Long-Term Resident Homestead Exemption Act.

Under the Act, homesteads of qualified owners would be assessed for taxation the same as other property, except that such homesteads would be eligible to receive an exemption as follows: For purposes of school district taxes only, the homestead of a qualified owner would be valued at zero. Qualified owner would mean an owner who has resided in the same homestead for at least 10 years as of January 1 of the current assessment year.

A qualified owner could apply for a homestead exemption under this Act by submitting an application to the county assessor of the county in which the homestead is located on a form prescribed by the Tax Commissioner. Once the owner has received approval of the exemption, such owner would only be required to file a subsequent application in years evenly divisible by five. Any qualified owner who receives an exemption under the Act for any year would not be eligible to receive a homestead exemption under sections 77-3501 to 77-3529 for the same year.

The county treasurer and county assessor would, on or before November 30 of each year, certify to the Tax Commissioner the total tax revenue that will be lost to all school districts within the county from taxes levied and assessed in that year because of exemptions allowed under the Act. The Tax Commissioner would, on or before January 1 next following such certification, notify the Director of Administrative Services of the amount so certified to be reimbursed by the state. Reimbursement of the funds lost would be made to each county according to the certification and would be distributed in six as nearly as possible equal monthly payments on the last business day of each month beginning in January. The Director of Administrative Service would, on the last business day of each month, issue payments via electronic funds transfer. Out of the amount so received the county treasurer would distribute to each of the school districts within his or her county the full amount so lost by such school district, except that 1% of such amount would be deposited in the county general fund. Each school district would, in preparing its annual or biennial budget, take into account the amount to be received.

The Tax Commissioner could adopt and promulgate rules and regulations to carry out the Act.

The bill would become operative January 1, 2025.

We estimate the following increase to General Fund expenditures as a result of the bill:

- FY 25-26: \$407,840,000
- FY 26-27: \$432,310,000
- FY 27-28: \$458,250,000

We estimate a need for a one-time programming charge of \$368,964 to be paid to the Office of the Chief Information Officer (OCIO) for development and \$73,792 for maintenance in subsequent years. We estimate a need for an IT Business Systems Analyst and a Revenue Tax Specialist in FY25. For FY26 and after, we estimate a need for 0.5 FTE IT Business Systems Analyst and a Revenue Tax Specialist.

Lancaster County Assessor/Register of Deeds Office estimates IT and personnel costs as a result of this bill.

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

LB: 77            AM:                            AGENCY/POLT. SUB: Tax Equalization & Review Commission

REVIEWED BY: Neil Sullivan            DATE: 7/30/2024                            PHONE: (402) 471-4179

COMMENTS: The Tax Equalization & Review Commission assessment of no fiscal impact from LB 77 appears reasonable.



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

**2024**

**LB<sup>(1)</sup> 77**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County (Budget & Fiscal)

Prepared by: <sup>(3)</sup> Kevin Nelson Date Prepared: <sup>(4)</sup> 7/30/2024 Phone: <sup>(5)</sup> 402-441-7448

**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:**

The passage of this this bill would result in a decrease in commissions collected for properties that qualify for the long-term resident homestead exemption. The amount of this lost revenue cannot be easily determined at this time. This bill would have minimal fiscal impact on the expenditures of Lancaster County.

**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<sup>(1)</sup> 77**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Tax Equalization & Review Commission

Prepared by: <sup>(3)</sup> Rob Hotz Date Prepared: <sup>(4)</sup> 7/29/24 Phone: <sup>(5)</sup> (402) 471-2842

**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	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

Explanation of Estimate:

No fiscal impact. The agency is unable to determine the number of appeals that would result from the process proposed by this legislation.

**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.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>