

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	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 683 provides that on or before June 1, in addition to the notice of preliminary valuation sent pursuant to section 77-1301, the county assessor shall create a notice to be delivered to the owner of record as of May 20 of the assessed value of every item of real property not exempt from taxation. Each county assessor shall transmit such notices to the Department of Administrative Services for printing by the state. Such notice shall be delivered by first-class mail addressed to such owner’s last known address. The bill specifies what shall be included in the notice.

On or before May 15, each political subdivision levying a tax against property shall inform the county assessor of every county in which the political subdivision has the authority to levy a tax against property of the time and place such political subdivision’s budget hearing will convene.

The bill amends section 77-1632 of the Property Tax Request Act and repeals the remaining sections of the Act. Section 77-1632 is amended to provide that the governing body of the political subdivision shall pass a resolution or ordinance to set the amount of its property tax request after holding the public hearing required in subsection (4) of the section. If the governing body of a political subdivision seeks to set its property tax request at an amount that exceeds its property tax request in the prior year, it may do so, subject to the limitations provided in the School District Property Tax Limitation Act and the Property Tax Growth Limitation Act, after holding the public hearing required in subsection (4) of the section and by passing a resolution or ordinance that complies with subsection (5) of the section.

The Department of Revenue estimates no impact on General Fund revenues and no cost to it to implement the bill. There is no basis to disagree with this estimate.

The Department of Administrative Services estimates the additional need to print valuation notices for Douglas County as a result of the bill but such work can be accomplished utilizing current resources. We also estimate possible additional costs connected to an increase in notices to be printed as notices to be printed under the bill are every item of real property not exempt from taxation instead of the current language being for notices for those items of real property which have been assessed at a value different than in the previous year. It is unclear whether these costs would be billed to political subdivisions under the bill or paid by the state.

Political subdivisions could have decreased costs connected to the elimination of postcards sent out under the Property Tax Request Act and IT costs as a result of the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 683	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang	DATE: 3/18/2025	PHONE: (402) 471-4178	
COMMENTS: Concur with the Department of Revenue assessment of no fiscal impact to General Fund revenues from LB 683.			

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

LB: 683 AM: AGENCY/POLT. SUB: Department of Administrative Services (DAS) - Materiel Division

REVIEWED BY: Ryan Yang DATE: 2/11/2025 PHONE: (402) 471-4178

COMMENTS: The Department of Administrative Services (DAS) - Materiel Division assessment of no fiscal impact from LB 683 appears reasonable.

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

LB: 683 AM: AGENCY/POLT. SUB: Douglas County Assessor/Register of Deeds

REVIEWED BY: Ryan Yang DATE: 2/1/2025 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Douglas County Assessor/Register of Deeds assessment of possible fiscal impact from LB 683.

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

LB: 683 AM: AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds

REVIEWED BY: Ryan Yang DATE: 1/31/2025 PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Lancaster County Assessor/Register of Deeds assessment of fiscal impact from LB 683.

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

2025

LB⁽¹⁾ 683

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services (DAS) – Materiel Division

Prepared by: ⁽³⁾ Michelle Potts Date Prepared: ⁽⁴⁾ 1/30/2025 Phone: ⁽⁵⁾ 402-432-0121

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 683 requires county assessors to provide notification of real property assessments as detailed in the bill. On or before June 1, each county assessor is to transmit such notices to the Department of Administrative Services for printing by the state. Notices are to be delivered by first-class mail addressed to the owner’s last-known address.

The State Print Shop within Materiel Division of the Department of Administrative Services currently prints evaluation notices for all counties except Douglas County. Changes to the notice to be printed and to also accommodate the addition of Douglas County will need to be made, but such work can be accomplished utilizing existing resources.

LB 683, as introduced, has no fiscal impact to the Department of Administrative Services.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</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.

2025

LB⁽¹⁾ 683

FISCAL NOTE

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

Prepared by: ⁽³⁾ Michael Goodwillie Date Prepared: ⁽⁴⁾ 1/27/2025 Phone: ⁽⁵⁾ 402 444-6703

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</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: LB 683 would make significant changes to the requirements for valuation change notices, currently sent out by assessment offices on or before June 1. Currently, such notices must be sent, by first class mail, for all properties that have a valuation change from the value of the previous year. In Douglas County last year, for example, there were 103,991 valuation changes. That represents slightly less than half of the taxable parcels of real property in the county. LB 683 would require valuation notices to go to all taxable properties in the county, whether their value changed from the previous year or not. The notice itself would change significantly. It would contain what amounts to a summary of the previous year's taxes, by subdivision and for the current year, in addition to the property valuation, would require a listing of the dates each of the political subdivisions that levy taxes on the property will have its budget hearing. It also will require verbiage about a property owner's ability to protest the value to the local BOE and the ability to attend the budget hearing of each subdivision. So under LB 683, the valuation notice would become a combination of valuation notice (counties already advise property owners when the BOE meets and how protests can be filed) and the postcard that gets sent in early September advising property owners of potential tax increases by local political subdivisions. The bill would get rid of those hearings.

The county assessor would receive the information about the budget hearing dates of the political subdivisions by May 15. The notice information would be transmitted to the Nebraska Department of Administrative Services for printing. The notices would still go out first-class mail. Since the legislative session extends into June this year, past the date that valuation notices need to be sent out, it appears that 2026 would be the first year for valuation notices under LB 683.

Estimating cost for LB 683 is difficult for two reasons: It is silent about who bears the cost of printing and mailing. It says that the notices go to the State for printing and that the notices are to be delivered by first-class mail. It is silent on whether those costs would all be on the state, as well as the postage, or if they would be billed back to the counties. If the state bears the costs, as an example of the scope of what is involved, there are in excess of 210,000 taxable parcels in Douglas County alone. Per the Nebraska Department of Revenue in the most recent information available on its website, as of 2023, there were 1,122,014 taxable real property records. There are probably more now, all of which would need a valuation notice printed by the Nebraska Department of Administrative Services between May 15, the last date political subdivisions have to share their budget meeting information, and June 1, the current statutory date for issuing valuation notices. The first class postage would be however notices get printed multiplied by whatever the current postage rate is for that time frame.

The second reason involves significant system programming requirements to meet the content and layout needs of the new notice format. Currently, the county is engaged in a project to move any processes currently managed and executed by DotComm off of the Mainframe AS400 (IBM) system to a combined solution that will be used by the Assessor and Treasurer Offices. Absent the conclusive result of the bill, including exactly what the valuation notices would look like and the content requirements of the notice, estimating programming costs is virtually impossible.

For Douglas County, valuation notices are printed by DotComm—the Douglas/Omaha Technology Commission so those costs have been billed in-house. We've contracted out for stuffing and mailing. Those costs, along with postage last year, for 103,000 plus notices worked out to \$60,043.25 for 2024. That would double under LB 483, assuming the same printing/stuffing/postage costs, if they were billed back by the state to the county. Otherwise, those would be borne by the state. On the other side of the ledger, the notice postcards for the public hearing in September of 2024 cost the

assorted political subdivisions in the county \$90,116. Those costs would go away under LB 683.

Since there is no provision for the State to bill the counties back for printing and postage, this note is operating under the assumption that those costs are to be borne by the state. If that is the case, the county and its subdivisions (the costs of the postcards are shared among participating subdivisions) would potentially save \$90,116. (Last year's costs were based on postcards for all properties in the county because Douglas County was going to be a participant. The number of postcards is dependent on which political subdivisions have to participate, so the cost could vary from one year to the next.).

For the purposes of this fiscal note, we are estimating no additional costs to our office or the county. If the costs are billed back, then at a minimum you could expect the costs of doubling the valuation notices—to approximately \$120,000. Less the \$90,000 for the September postcards, there would be additional out of pocket costs to this agency of \$30,000.

Note: There may be significant programming costs to DotComm, to add everything the bill wants to the valuation notice. Our office has reached out to DotComm about the programming for LB 683 but have yet to get anything back that would enable an estimate.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</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.

2025

LB⁽¹⁾ 683

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dan Nolte Date Prepared: ⁽⁴⁾ 01/28/25 Phone: ⁽⁵⁾ _____

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$139,000	_____	\$124,000	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$139,000</u>	_____	<u>\$124,000</u>	_____

Explanation of Estimate:

Year one includes postage, printing, and programming changes. Second year is for printing and postage.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

