

# 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				

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

LB 575 amends the Property Tax Request Act.

Under section 77-1633 (3)(c) the joint public hearing shall be held on or after July 14 and prior to July 24 and before any of the participating political subdivisions file their adopted budget statement pursuant to section 13-508.

The bill amends section 77-1633 (3)(h) so that each political subdivision that participates in the joint public hearing shall electronically send the information prescribed in section 77-1633 (3)(i) to the county assessor by July 4. The county clerk shall notify the county assessor of the date, time, and location of the joint public hearing no later than July 4.

The bill also provides that in addition to the specific limits provided in this section, if the total taxable valuation of property in a political subdivision exceeds the total taxable valuation from the prior year, then such political subdivision's levy shall be no more than the levy necessary to raise the exact same amount of property taxes as was raised by such political subdivision in the prior year. A political subdivision may exceed this levy limit upon the affirmative vote of at least 2/3 of the members of the governing body of such political subdivision.

The bill contains the emergency clause.

The Department of Revenue estimates no impact to General Fund revenues and minimal costs to it to implement the bill. There is no basis to disagree with these estimates.

Political subdivision property tax levy amounts would remain flat under this bill unless the levy limit is exceeded via at least 2/3 affirmative vote of the members of the governing body of the political subdivision.

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

LB: 575	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang		DATE: 2/14/25	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Revenue assessment of no fiscal impact to the agency and General Fund revenues due to LB 575.			

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

LB: 575	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY: Ryan Yang		DATE: 2/1/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Nebraska Association of County Officials assessment of indeterminate fiscal impact from LB 575.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
LB: 575      AM:      AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds
REVIEWED BY: Ryan Yang      DATE: 1/28/2025      PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County Assessor/Register of Deeds assessment of no fiscal impact from LB 575.

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

2025

LB<sup>(1)</sup> 575

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Michael Goodwillie Date Prepared: <sup>(4)</sup> 1/27/2025 Phone: <sup>(5)</sup> 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 501 would change dates relating to the mailing of notice and a public hearing relating to tax requests of political subdivisions. Previously, those subdivisions whose property tax requests exceeded that of the previous year plus 2% plus its “growth percentage” had to conduct a public hearing prior to the adoption of their budget/tax request at the end of September. The hearing could be no later than September 24 and the postcards notifying property owners of a potential tax increase from political subdivisions and the time and place of the public hearing had to be sent out at least seven days before the hearing. As an aside, last year the cost of printing and mailing the postcards in Douglas County was \$90,116.

LB 34, passed in the special session last summer altered the requirements for property tax requests and created exceptions for political subdivisions for exceeding the previous year’s request for things like public safety services and emergencies. It still provided for the taking into account of the county’s growth percentage in determining the permissible tax request. Growth, among other things, relates to changes in value due to new construction, improvements to existing construction, and additions to personal property. Growth percentage for political subdivisions are determined when local assessors certify value to political subdivisions on or before August 20 each year. Certification occurs then because BOE protest season does not conclude until the end of July in smaller counties and August 10 in the largest counties. The state provides the values for the property it assesses in early August. The point is that some of the elements that go into whether a public hearing is required of a political subdivision are not available until August 20.

LB 501 would move the public hearing and notice date up into July—no later than July 24. The problem is, from an administrative standpoint, none of the political subdivisions would have their growth percentages since their values would not yet be complete. We have no idea how to estimate any potential additional costs (over and above what postcards to 200,000 property owners each year already costs). LB 501 doesn’t change any administrative burdens, but it does assume that data is available that will not be. At this juncture, our office sees no additional fiscal impact.

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.....				

LB<sup>(1)</sup> 575

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Dan Nolte

Date Prepared: <sup>(4)</sup> 1/27/25

Phone: <sup>(5)</sup> 402-441-7463

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:  
This proposed changes would not have a fiscal impact on this office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

# 2025

## FISCAL NOTE

Prepared by: (3) Dennis Meyer                      Date Prepared: (4) 1/30/2025                      Phone: (5) 402-441-6869

## ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

LB575 limits Lancaster County's ability to increase property tax collections by capping them at the prior year's level, without automatic adjustments for inflation, population growth, or increased service demands. This restriction may require reductions in funding for county services such as law enforcement, emergency response, infrastructure maintenance, and public health programs if alternative revenue sources or budget adjustments are not identified.

Additionally, LB575 removes the County's ability to adjust tax revenues in response to economic and population changes without a supermajority vote. This requirement introduces an additional step in the budget approval process, which could affect the timing of financial planning and decision-making for capital projects, road maintenance, and public safety expenditures.

### BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:		NUMBER OF POSITIONS		2025-26	2026-27
POSITION TITLE		25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital outlay.....					
Aid.....					
Capital improvements.....					
TOTAL.....					

## Phone: 471-5896

<u>Class Code</u>	<u>Classification Title</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
<b>Total.....</b>							

# 2025

## FISCAL NOTE

Prepared by: <sup>(3)</sup> Elaine Menzel      Date Prepared: <sup>(4)</sup> 1/28 /2025      Phone: <sup>(5)</sup> 402.434.5660

## ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

LB575 would modify provisions relating to the Property Tax Request Act by changing the dates the joint public hearing shall be held.

Further, in addition to the constitutional 50 cent levy limit applicable to counties, if the total taxable valuation of property in a political subdivision exceeds the total taxable valuation from the prior year, then such political subdivision's levy shall be no more than the levy necessary to raise the exact same amount of property taxes as was raised by such political subdivision in the prior year. A political subdivision may exceed the prior year's levy upon the affirmative vote of at least two-thirds of the members of the governing body of such political subdivision.

The fiscal impact cannot be quantified.

### BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

### Personal Services:

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