

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	8,880	0	0	0	8,880
FY2027-2028	SEE BELOW	0	0	0	SEE BELOW
FY2028-2029	SEE BELOW	0	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

LB 882 amends provisions connected to the Homestead Exemption Program.

The bill changes application requirements for homestead exemptions and eliminates subsequent applications for certain disabled veterans and unremarried spouses who have been granted a homestead exemption. The bill also changes application requirements for other applications to be submitted every five years.

The bill provides that if an unremarried surviving spouse who has been granted a homestead exemption under subdivision (2)(b) or (f) of section 77-3506 remarries before attaining the age of 57 years, such spouse shall lose the homestead exemption. The surviving spouse shall notify the county assessor of such remarriage within a reasonable time.

The bill is operative three months after adjournment of the Legislature.

The Department of Revenue estimates a one-time cost of \$8,880 to be paid to the Office of the Chief Information Officer to modify the existing Homestead web application. There is no basis to disagree with this cost estimate.

However, homestead exemption reimbursements to political subdivisions are paid from the state General Fund. The cost of the program could increase by an indeterminate amount in future years due to elimination of the application requirement for certain recipients, as eligibility would no longer be reevaluated.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
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LB: 882	AM:	AGENCY/POLT. SUB: Department of Revenue
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REVIEWED BY: Ryan Yang	DATE: 1/27/2026	PHONE: (402) 471-4178
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COMMENTS: The Department of Revenue assessment of fiscal impact from LB 882 appears reasonable.
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ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
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LB: 882	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)
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REVIEWED BY: Ryan Yang	DATE: 1/14/2025	PHONE: (402) 471-4178
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COMMENTS: No basis to disagree with the NACO assessment of minimal fiscal impact from LB 882.
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ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
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LB: 826	AM:	AGENCY/POLT. SUB: Douglas County Assessor/Register of Deeds
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REVIEWED BY: Ryan Yang	DATE: 1/13/2026	PHONE: (402) 471-4178
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COMMENTS: No basis to disagree with the Douglas County Assessor assessment of no fiscal impact from LB 826.
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ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
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LB: 882	AM:	AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds
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REVIEWED BY: Ryan Yang	DATE: 1/13/2026	PHONE: (402) 471-4178
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COMMENTS: No basis to disagree with the Lancaster County Assessor assessment of no fiscal impact from LB 882.
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Please complete ALL (5) blanks in the first three lines.

2026

LB<sup>(1)</sup> 882

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Michael J. Goodwillie Date Prepared: <sup>(4)</sup> 1/13/2026 Phone: <sup>(5)</sup> (402) 444-6703

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>		<u>FY 2027-28</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

LB 882 changes the filing requirements for certain homestead recipients. Currently, there are several groups of people who get the full value of their house exempt, regardless of their income or the value of the home—vets with 100% service-connected disabilities, their unremarried spouses or those who remarry after reaching the age of 57, and unremarried spouses of service people who die on active duty or spouses who remarry after reaching the age of 57. Members of that first category only have to file homestead applications in their first year and subsequent years divisible by five. Everyone else has an annual application requirement. LB 882 changes the application requirements for these three groups. After the initial application, they will never have to apply again. In terms of impact on our office, there will be fewer applications to process. That said, there is a potential problem at the back end in terms of knowing when a member of this class no longer lives in the home. There isn't a requirement that someone in homestead tell us when they move out of the home. A frequent, or relatively frequent application requirement does keep the homestead recipient in touch with the local assessment office. No application means that a homesteader in one of these categories could move or even die and as long as the property is titled in their name, the exemption would apply indefinitely—to the benefit of whoever is able to move into the home.

The bill would mean fewer applications to review—so there would be no administrative costs added by the bill. That said, there may be time spent as time goes on, to ascertain whether the veteran or spouse actually resides in the home. As an example, a veteran initially applies and obtains homestead in this category and is 60 years old with his first application. The further out in time from that further application, the more it raises the question of if the veteran, who may already have persistent health problems due to his disability, is still actually living in the home with each five-year increment that passes. We have had situations, in the past, where a relative files applications in the name of a relative who no longer lives in the home. Having an application process led us to cutting that off. That mechanism will no longer be in place so there may be instances where the veteran moves out, say to a nursing home, and a relative who does not qualify for homestead moves in and there would be no way to know that. In those instances, the state would still be reimbursing the county (and the other political subdivisions) for their “tax loss” unnecessarily. We have no way of quantifying how many instances like that would occur over time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b><u>POSITION TITLE</u></b>	<b><u>NUMBER OF POSITIONS</u></b>		<b><u>2026-27</u></b>	<b><u>2027-28</u></b>
	<b><u>26-27</u></b>	<b><u>27-28</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

# 2026

## FISCAL NOTE

Prepared by: (3) Dan Nolte Date Prepared: (4) 01/09/2026 Phone: (5) 402-441-7463

## ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

The proposed legislation would have no fiscal impact on this office.

### BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

# 2026

## FISCAL NOTE

Prepared by: (3) Elaine Menzel Date Prepared: (4) 1/13/2026 Phone: (5) 402.434.5660

	FY 2026-27		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				

The fiscal impact LB826 would have on counties is minimal because the state reimburses the counties for homestead exemptions.

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

## State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:			
Approved by: James R. Kamm				Date Prepared: 01/27/2026		Phone: 471-5896	
	<u>FY 2026-2027</u>		<u>FY 2027-2028</u>		<u>FY 2028-2029</u>		
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	
General Funds	\$8,880	\$ 0		\$ 0		\$ 0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds	\$8,880	\$ 0		\$ 0		\$ 0	

LB 882 eliminates the requirement for veterans receiving compensation from the U.S. Department of Veterans Affairs (VA) for a 100 percent service-connected disability to submit subsequent homestead exemption applications or periodic VA certifications after initial approval. The bill also removes subsequent application and periodic VA certification requirements for the unremarried surviving spouses of such veterans and for surviving spouses of veterans who died while on active duty, once initially approved for the homestead exemption.

LB 882 additionally clarifies that a surviving spouse that remarries before the age of 57 would still lose the exemption and must notify the county assessor of such remarriage within a reasonable time.

It is estimated that LB 882 will have no impact on General Fund expenditure.

LB 882 will require a one-time operating charge of \$8,880 for the OCIO to modify the existing Homestead web application.

The operative date for this bill is three months after the adjournment of the legislature.

## Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>28-29 FTE</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>	<u>28-29 Expenditures</u>
Benefits.....							
Operating Costs.....					\$8,880		
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
<b>Total.....</b>					\$8,880		