

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	0	0	0	0	0
FY2027-2028	0	0	0	0	0
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 814 amends section 77-201 to provide that before January 1, 2027, regarding agricultural and horticultural land as well as agricultural and horticultural land that is specially valued, these lands shall be valued at 75% of actual value or special valuation, respectively, except that for school district taxes levied to pay the principal and interest on bonds that are approved by a vote of the people on or after January 1, 2022, such lands shall be valued at 50% of actual value/special valuation. After January 1, 2027, these lands shall be valued at 50% of actual value/special valuation.

The bill also amends the acceptable ranges for valuation in section 77-5023 to provide that before January 1, 2027, regarding agricultural and horticultural land as well as agricultural and horticultural land that is specially valued, the acceptable range is 69-75% of actual value or special valuation, respectively, except that for school district taxes levied to pay the principal and interest on bonds that are approved by a vote of the people on or after January 1, 2022, the acceptable range is 44-50% of actual value/special valuation. After January 1, 2027, the acceptable range for these lands is 44-50% of actual value/special valuation.

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

The Department of Revenue (DOR) estimates no impact on General Fund revenues and minimal cost to it as a result of the bill. There is no basis to disagree with this estimate.

The Department of Education notes that this decrease in taxable value would reduce school district and Educational Service Unit (ESU) taxing authority with no offset in Tax Equity and Educational Opportunities Support Act (TEEOSA) or ESU Core Service funding since the valuations for those purposes is not adjusted in this bill.

The Lancaster County Assessor/Register of Deeds Office estimates programming costs for their mass appraisal system at \$35,000 or less as a result of the bill.

Also, at current levies, political subdivisions would see a loss in revenue with the lower tax base as a result of this bill.

TECHNICAL NOTE: This bill does not amend section 79-1016 to account for this change in taxation for purposes of calculating local resources through the TEEOSA formula. If TEEOSA funding is not changed, there would be a lack of state aid through TEEOSA compared to what is needed by school districts after the changes to valuations in this bill.

If TEEOSA funding is altered as a result of the bill, we estimate an increase of General Fund expenditures for TEEOSA of \$49,760,319 for the 2028-29 school year as a result of this bill's changes to valuations.

LB 814 would then create complications in its early stages with the timing for funding to school districts with valuations going to 50% and values used to calculate state aid through TEEOSA.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 814	AM:	AGENCY/POLT. SUB: Nebraska Department of Education	
REVIEWED BY:	Taten Raml	DATE: 1/15/2026	PHONE: (531) 310-4102
COMMENTS: The Nebraska Department of Education's assessment of indeterminate fiscal impact from LB814 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 814	AM:	AGENCY/POLT. SUB: Tax Equalization & Review Commission	
REVIEWED BY:	Taten Raml	DATE: 1/09/2026	PHONE: (531) 310-4102
COMMENTS: Concur with the Tax Equalization & Review Commission estimate of no fiscal impact as a result of LB814.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 760	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY:	Taten Raml	DATE: 1/15/2026	PHONE: (531) 310-4102
COMMENTS: The Nebraska Association of County Official's assessment of indeterminate fiscal impact from LB760 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 814	AM:	AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds	
REVIEWED BY:	Taten Raml	DATE: 1/15/2026	PHONE: (531) 310-4102
COMMENTS: The Lancaster County Assessor/Register of Deeds' assessment of indeterminate fiscal impact from LB814 appears reasonable. It is possible that programming costs could be higher than the anticipated amount.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 814	AM:	AGENCY/POLT. SUB: Lancaster County, Nebraska	
REVIEWED BY:	Taten Raml	DATE: 1/15/2026	PHONE: (531) 310-4102
COMMENTS: The Lancaster County assessment of fiscal impact from LB 814 appears reasonable using the assumptions provided.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 814	AM:	AGENCY/POLT. SUB: Douglas County Assessor/Register of Deeds Office	
REVIEWED BY:	Taten Raml	DATE: 1/16/2026	PHONE: (531) 310-4102
COMMENTS: No basis to disagree with Douglas County Assessor/Register of Deeds Office's assessment of no fiscal impact from LB 814. There is a possibility of additional programming costs for IT systems.			

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

2026

LB⁽¹⁾ 814

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Douglas County Assessor/Register of Deeds Office

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

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Explanation of Estimate:

LB 814 will, effective for 2027, require the valuation of agricultural land at 50% rather than 75% of market value. It applies to special value and nonspecial value agricultural land. This should not affect how we review agland and how we do our work. Because there is so little agricultural land that is not influenced by agricultural factors, our office is provided sales from counties with little nonagricultural influence on agricultural land sales and we use that data to value agricultural land in Douglas county. It simply will mean that we apply a 50% factor rather than a 75% in determining final value. This bill will affect us less than it will reduce taxable value in the county. Using 2025 as an example, per the 2025 Certificate of Taxes Levied, Douglas County had \$412,046,830 in agricultural land value in 2025. Getting the value down from 75% of market value to 50% would require multiplying the agricultural land value by .667. Just using the 2025 values, that calculation would result in agricultural land value of \$274,835,236, a reduction of \$137,211,594 in value. At a 2% tax rate, that reduction translates into a tax loss of \$2,744,231, spread among the political subdivisions in Douglas County that have agricultural land. The Douglas County share of that is about 13%, or approximately \$356,750.

This is a bill that would have some financial cost to the county and the other political subdivisions that have agricultural land, but no additional administrative costs for this office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27	2027-28
	26-27	27-28	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____

Operating.....	_____	_____
Travel.....	_____	_____
Capital outlay.....	_____	_____
Aid.....	_____	_____
Capital improvements.....	_____	_____
TOTAL.....	_____	_____

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

2026

LB⁽¹⁾ 814

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Department of Education

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: ⁽⁴⁾ 1/8/2026

Phone: ⁽⁵⁾ 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

LB814 changes the taxable portion of agricultural and horticultural land from 75% of both actual value and special valuation to 50% of both actual value and special valuation. This decrease in taxable value would reduce school district and ESU taxing authority with no offset in TEEOSA or ESU Core Service funding since the valuations for those purposes is not adjusted in this bill.

The decrease in taxing authority with no offsetting change in the funding formulas for school districts and ESU's could create a funding gap for some school districts or ESU's.

Actual impact cannot be determined at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2026

LB⁽¹⁾ 814

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lancaster County, Nebraska

Prepared by: ⁽³⁾ Dennis Meyer

Date Prepared: ⁽⁴⁾ 1/13/2026

Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u>	<u>REVENUE</u>		<u>FY 2027-28</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	1.7M to 2M Loss	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____	_____

Explanation of Estimate:

In Lancaster County, agricultural and horticultural land accounts for approximately 5% to 6% of the total property tax base. Using the FY26 property tax request of \$102,212,765, the County estimates a reduction in property tax capacity of approximately \$1.7 million to \$2 million annually.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2026

LB⁽¹⁾ 814

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lancaster County Assessor/Register of Deeds

Prepared by: ⁽³⁾ Dan Nolte

Date Prepared: ⁽⁴⁾ 01/12/2026

Phone: ⁽⁵⁾ 402-441-7563

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	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	_____	_____	_____	_____

Explanation of Estimate:

This legislation would result in programming costs to our computerized mass appraisal system. The amount is unknown as it would require a vendor estimate of costs. We would anticipate that it would be less than thirty five thousand dollars.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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

2026

LB⁽¹⁾ 814

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel

Date Prepared: ⁽⁴⁾ 1/13/2026

Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Explanation of Estimate:

LB814 would reduce agricultural land valuations from 75% to 50%. Using 2024 data gathered from the Nebraska Department of Revenue's Property Assessment Division, we first calculated a reduction in valuation in agricultural land (75% to 50%) for all 93 counties. Next, we estimated each county's new total valuation.

Then, we calculated the increase in each county's levy to make up for the decrease in valuation. We found that the levy of the following counties would have exceeded the \$.50 cap: Banner, Deuel, Garden, Kimball, and Rock County. Overall, these five counties would have lost \$1,444,876 in taxes levied as a result of the reduction in agricultural land valuation. For Deuel and Kimball County, the reduction would have been 2.2% and 3.8% of their 2024 county taxes levied, respectively. For Banner, Garden, and Rock County, the reduction would have been 14.4%, 15.5%, and 14.5% of their 2024 county taxes levied, respectively.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u> <u>EXPENDITURES</u>	<u>2027-28</u> <u>EXPENDITURES</u>
	<u>26-27</u>	<u>27-28</u>		
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: 01/23/2026	Phone: 471-5896	
	FY 2026-2027	FY 2027-2028	FY 2028-2029
	Expenditures	Revenue	Expenditures
General Funds		\$ 0	
Cash Funds			
Federal Funds			
Other Funds			
Total Funds		\$ 0	
			\$ 0

LB 814 amends Neb. Rev. Stat. § 77-201 requiring agricultural and horticultural land or specially valued agricultural and horticultural land be valued at 50% of the actual value beginning on January 1, 2027.

Beginning January 1, 2027, LB 814 amends Neb. Rev. Stat. § 77-5023 to change the acceptable value range of such land to 44 -50% regardless of whether school taxes are levied to pay a bond.

The operative date for LB 814 is three months after adjournment of the Legislature.

It is estimated that LB 814 will have no impact on General Fund revenues.

It is estimated that there will be minimal cost to the Department of Revenue to implement this bill.

Major Objects of Expenditure

Class Code	Classification Title	26-27	27-28	28-29	26-27	27-28	28-29
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							

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

2026

LB⁽¹⁾ 814

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Tax Equalization & Review Commission

Prepared by: ⁽³⁾ Rob Hotz Date Prepared: ⁽⁴⁾ January 8, 2026 Phone: ⁽⁵⁾ (402) 471-2842

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Explanation of Estimate:

No fiscal impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

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