

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 1204 establishes the Nameplate Capacity Tax Facility Standards Act.

The bill provides permitting, zoning, and building requirements for political subdivisions for renewable energy generation facilities or energy storage resources.

The bill amends section 13-518 to provide that funds received pursuant to the nameplate capacity tax levied under section 77-6203 for the first five years after an energy storage resource has been commissioned are nonrestricted funds.

The bill amends section 77-105 to provide that tangible personal property includes all depreciable tangible personal property described in subsection (9) of section 77-202 used in the generation of electricity using wind, solar, biomass, or landfill gas as the fuel source or in the storage of such electricity in an energy storage resource.

The bill amends section 77-202 to provide that any depreciable tangible personal property used in the generation of electricity using wind as the fuel source or in the storage of such electricity in an energy storage resource shall be exempt from the property tax levied on depreciable tangible personal property. Any depreciable tangible personal property used in the generation of electricity using solar, biomass, or landfill gas as the fuel source or in the storage of such electricity in an energy storage resource shall be exempt from property tax levied on depreciable tangible personal property if such depreciable tangible personal property was installed on or after January 1, 2016, and has a nameplate capacity of 100 kilowatts or more.

The bill amends section 77-1359 to change what is included as agricultural land and horticultural land so that renewable energy generation facilities or energy storage resources are included in the definition. This section is also amended to add land used for a renewable energy generation facility or an energy storage resource or any infrastructure service or appurtenant or accessory to such use is included under what are agricultural or horticultural purposes.

The bill amends section 77-6203 to provide that the owner of a privately owned renewable energy generation facility permitted on or after January 1, 2027, that generates electricity using wind or solar as the fuel source shall annually pay a nameplate capacity tax equal to the total nameplate capacity of the commissioned renewable energy generation facility multiplied by a tax rate of \$3,518 per megawatt. The owner of a privately owned and permitted energy storage resource shall annually pay a nameplate capacity tax equal to the total nameplate capacity of the commissioned energy storage resource multiplied by a tax rate of \$3,518 per megawatt.

The amount of property tax on depreciable tangible personal property previously paid on an energy storage resource which was commissioned before January 1, 2027, which was greater than the amount that would have been paid pursuant to section 77-6201 to 77-6204 from the date of commissioning until January 1, 2027, shall be credited against any tax due under Chapter 77, and any amount so credited that is unused in any tax year shall be carried over to subsequent tax years until fully utilized.

Under the bill, all nameplate capacity taxes shall be due on April 1 and shall be paid to the county treasurer of each county in which the renewable energy generation facility or energy storage resource is located.

The bill amends section 77-6204 to change the distribution of nameplate capacity tax to provide that the county treasurer shall distribute all revenue from taxes imposed on renewable energy generation facilities and energy storage resources permitted on or after January 1, 2027, pursuant to section 77-6203 as follows:

- 95% to counties
- 5% to community college areas

The bill is operative on January 1, 2027.

The Lancaster County Treasurer estimates initial costs for setting up a system for calculating and billing nameplate capacity taxes as well as additional costs for additional owners besides the current ones.

The change to the nameplate capacity distribution is estimated to eliminate the revenue to local taxing entities other than counties and community college areas, which has a negative fiscal impact on other political subdivisions and a positive impact to counties.

A change in the taxable base for schools due to the changes in nameplate capacity tax under this bill could have an impact on state aid under TEEOSA, but any such amount is indeterminate.

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

2026

LB⁽¹⁾ 1204

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Agriculture

Prepared by: ⁽³⁾ Kevin Shearman Date Prepared: ⁽⁴⁾ 1/26/26 Phone: ⁽⁵⁾ 402-580-1451

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2026-27</u> <u>EXPENDITURES</u>	<u>REVENUE</u>	<u>FY 2027-28</u> <u>EXPENDITURES</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

<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>		
Personal Services:				
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1204	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Ryan Yang	DATE: 2/10/2026	PHONE: (402) 471-4178
COMMENTS: The Department of Revenue assessment of no fiscal impact from LB 1204 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1204	AM:	AGENCY/POLT. SUB: Department of Agriculture
REVIEWED BY: Ryan Yang	DATE: 2/10/2026	PHONE: (402) 471-4178
COMMENTS: The Department of Agriculture assessment of no fiscal impact from LB 1204 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1204	AM:	AGENCY/POLT. SUB: Lancaster County Treasurer
REVIEWED BY: Ryan Yang	DATE: 2/10/2026	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County Treasurer assessment of fiscal impact from LB 1204.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1204	AM:	AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds
REVIEWED BY: Ryan Yang	DATE: 2/10/2026	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County Assessor assessment of minimal fiscal impact from LB 1204.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1204	AM:	AGENCY/POLT. SUB: Lancaster County
REVIEWED BY: Ryan Yang	DATE: 2/10/2026	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County assessment of possible fiscal impact from LB 1204.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1204	AM:	AGENCY/POLT. SUB: Lincoln Electric System (LES)
REVIEWED BY: Ryan Yang	DATE: 2/10/2026	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the LES assessment of no fiscal impact from LB 1204.		

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

2026

LB⁽¹⁾ 1204

FISCAL NOTE

**State Agency OR Political Subdivision
Name:** ⁽²⁾

LINCOLN ELECTRIC SYSTEM (LES)

Prepared by: ⁽³⁾ MATT ANDERSEN

Date Prepared: 02/02/2026

⁽⁴⁾

Phone: ⁽⁵⁾ 402-473-3203

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	\$0		\$0	

Explanation of Estimate:

Since LES is not subject to the nameplate capacity tax, battery storage and renewable energy facilities owned by LES are not impacted and therefore LB 1204 is not expected to have a financial impact to LES.

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.....					

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

2026

LB⁽¹⁾ 1204

FISCAL NOTE

**State Agency OR Political Subdivision
Name:** ⁽²⁾

Lancaster County, Nebraska

Prepared by: ⁽³⁾ Dennis Meyer

Date Prepared: 1/27/2026

⁽⁴⁾

Phone: ⁽⁵⁾ 402-441-6869

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:

LB1204 does not directly change property tax revenues but may affect county administrative and legal processes by limiting local discretion, standardizing decision timelines, and providing for automatic approvals and potential attorney-fee liability.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

Benefits.....

Operating.....

Travel.....

**Capital
outlay.....**

Aid.....

**Capital
improvements.....**

TOTAL.....

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

2026

LB⁽¹⁾ 1204

FISCAL NOTE

**State Agency OR Political Subdivision
Name:** ⁽²⁾

Lancaster County Assessor/Register of Deeds

Prepared by: ⁽³⁾ Dan Nolte

Date Prepared: 01/27/2026

⁽⁴⁾

Phone: ⁽⁵⁾ 402-441-7463

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:

The proposed legislation appears to have minimal or no fiscal impact on this office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

Benefits.....

Operating.....

Travel.....

**Capital
outlay.....**

Aid.....

**Capital
improvements.....**

TOTAL.....

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

2026

LB⁽¹⁾ 1204

FISCAL NOTE

**State Agency OR Political Subdivision
Name:** ⁽²⁾

Lancaster County Treasurer

Prepared by: ⁽³⁾ Rachel Garver

Date Prepared: ⁽⁴⁾ Jan. 27, 2026

Phone: ⁽⁵⁾ 402-441-7425

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	<u>\$500-\$1,000</u>	_____	<u>\$250-\$500</u>	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>\$500-\$1,000</u>	_____	<u>\$250-\$500</u>	_____

Explanation of Estimate:

Initial costs for setting up a system for calculating and billing nameplate capacity taxes for the two owners currently paying nameplate taxes are estimated to be \$500 to \$1,000. Adding additional owners should be minimal in cost and is estimated to be about \$250 to \$500.

There is no revenue for county treasurers in this bill.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

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: 02/09/2026	
	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 1204 would create the Nameplate Capacity Tax Facility Standards Act. The Act would preempt various local zoning regulations pertaining to renewable generation facilities and implement uniform zoning standards, would impose other requirements on such facilities pertaining to road maintenance, noxious weed maintenance, emergency management, and permitting requirements.

Currently funds received from nameplate capacity tax are included in the definition of restricted funds under Neb. Rev. Stat. § 13-518. As amended, nameplate capacity tax imposed on energy storage resources would be included in the definition. This bill would amend Neb. Rev. Stat. § 77-105 by clarifying that any depreciable tangible personal property used in or as the storage of renewable energy in a storage resource as defined in Neb. Rev. Stat. § 77-6202 is tangible personal property (adds a definition in Neb. Rev. Stat. § 77-6202). This bill would amend Neb. Rev. Stat. § 77-202 by clarifying that such property would be exempt from property tax (Neb. Rev. Stat. § 77-6202 requires a capacity of 100 kilowatts or more, which is the current capacity requirement applicable to electric generation facilities).

Currently, Neb. Rev. Stat. § 77-1359 provides that "agricultural and horticultural land does not include land used for commercial purposes that are not agricultural or horticultural purposes, such as land used for a solar farm or wind farm." LB1204 would entirely remove this definition and replace it to state that "Agricultural land and horticultural land includes land used for a renewable energy generation facility or energy storage resource." The statute, as amended, would further provide land used for renewable generation or storage facilities, or any infrastructure serving or appurtenant or accessory to such use, is an agricultural or horticultural purpose.

This bill would amend Neb. Rev. Stat. § 77-6203 by imposing the nameplate capacity tax on energy storage resources and apply the current exclusions to the nameplate tax to respective energy storage resources.

Under Neb. Rev. Stat. § 77-6203, currently Department of Revenue (DOR) collects nameplate capacity tax on a quarterly basis. Owners of renewable generation facilities also file a report on the nameplate capacity of their facility with the DOR. LB1204 would amend this so that county treasurers would collect all the tax by April 1

Major Objects of Expenditure

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

each year after notifying the owner of the amount of tax due. The county treasurer would provide the report to the DOR and the report will be on a form still provided by the DOR. The DOR would be required to review all reports filed for accuracy, consistency, and compliance with statute. The DOR would have audit authority.

DOR would establish audit procedures and standards for verifying compliance; ensure consistent calculation and collection across counties; and establish procedures for assessing penalties for failure to file reports, late filing, and under payment or nonpayment of taxes.

Facilities would be subject to the tax beginning January 1, 2027. The amount of property tax on the depreciable tangible personal property incurred before this date would offset any nameplate tax incurred thereafter and be carried forward until completely offset.

The county treasurer would be required to report annually to the DOR the total tax collected and the distribution for audit and verification purposes. Currently the county treasurer distributes revenue from nameplate capacity tax pursuant to Neb. Rev. Stat. § 77-6204. As amended, the county treasurer would still distribute the revenue, but the distribution formula would change beginning on Jan. 1, 2027, so that 95% of proceeds will be distributed to the counties in proportion to amount of tax paid, 5% would still be distributed to the community college areas pro rate to the tax paid in each area. Distribution is not impacted on community colleges when personal property net book value becomes zero for property used in a storage resource.

It is estimated that this bill 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.