

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 1219 provides that beginning January 1, 2027, and notwithstanding the Property Tax Growth Limitation Act and the School District Property Tax Limitation Act, the total amount of property taxes that may be levied by a political subdivision in any year shall not exceed the total amount levied in the prior year by more than the allowable growth percentage. Allowable growth percentage means a percentage equal to the sum of 2% plus the political subdivision's real growth percentage.

Property taxes are the primary funding source for the local resources component of the Tax Equity and Educational Opportunities Support Act (TEEOSA) calculation. This bill alters a district's ability to tax to fund the district, which could affect the amount of aid received. The potential impact would vary by school district. The impact to the state for aid paid pursuant to TEEOSA is indeterminate.

The Educational Service Unit (ESU) Coordinating Council estimates a reduction of \$1,889,437 in property tax revenue for ESUs statewide as a result of the bill. The ESU Coordinating Council notes that the ESU Core Services funding formula distributes a fixed amount that is appropriated and does not automatically adjust to offset reductions in local revenue. As a result, this loss would be absorbed through service reductions or shifting costs to school districts to cover.

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

2026

LB⁽¹⁾ 1219

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Auditor of Public Accounts

Prepared by: ⁽³⁾ Craig Kubicek Date Prepared: ⁽⁴⁾ 1/23/2026 Phone: ⁽⁵⁾ 402-326-3063

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION				
	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0		\$0	
CASH FUNDS	\$0		\$0	
FEDERAL FUNDS	\$0		\$0	
OTHER FUNDS	\$0		\$0	
TOTAL FUNDS	\$0		\$0	

Explanation of Estimate:

We would plan to cover under current staffing levels.

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.....				

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1219	AM:	AGENCY/POLT. SUB: Nebraska Auditor of Public Accounts	
REVIEWED BY: Kimberly Burns		DATE: 01/28/2026	PHONE: (402) 471-4171
COMMENTS: Concur with the Nebraska Auditor of Public Accounts' estimate of no fiscal impact from LB 1219.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1219	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Kimberly Burns		DATE: 02/03/2026	PHONE: (402) 471-4171
COMMENTS: The Department of Revenue's assessment of no fiscal impact to the agency from LB 1219 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1219	AM:	AGENCY/POLT. SUB: Nebraska Department of Education	
REVIEWED BY: Kimberly Burns		DATE: 01/30/2026	PHONE: (402) 471-4171
COMMENTS: Concur with the Nebraska Department of Education's estimate of no fiscal impact to the agency and indeterminate impact for the school districts and ESUs from LB 1219.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1219	AM:	AGENCY/POLT. SUB: Educational Service Unit Coordinating Council	
REVIEWED BY: Kimberly Burns		DATE: 02/03/2026	PHONE: (402) 471-4171
COMMENTS: No basis to disagree with the Educational Service Unit Coordinating Council's assessment of fiscal impact from LB 1219.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1219	AM:	AGENCY/POLT. SUB: Lancaster County, Nebraska	
REVIEWED BY: Kimberly Burns		DATE: 01/30/2026	PHONE: (402) 471-4171
COMMENTS: No basis to disagree with Lancaster County's assessment of long-term fiscal impact from provisions in LB 1219.			

State Agency OR Political Subdivision
Name: ⁽²⁾

Educational Service Unit Coordinating Council

Prepared by: ⁽³⁾ Larianne Polk

Date Prepared: ⁽⁴⁾ 2/2/2026

Phone: ⁽⁵⁾ 402-597-4843

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:

Based on 2025-2026 valuation and levy data, LB 1219 is anticipated to result in a reduction of approximately \$1,889,437 in property tax revenue for Educational Service Units statewide.

The ESU Core Services funding formula distributes a fixed, pre-appropriated amount and does not automatically adjust to offset reductions in local revenue. As a result, this loss would not be backfilled through state aid and would be absorbed through service reductions or cost shifts to school districts.

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⁾ 1219

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Nebraska Department of Education

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: 1/27/26
⁽⁴⁾

Phone: ⁽⁵⁾ 402-471-4320

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				

Explanation of Estimate:

LB 1219 limits the property tax request growth from the prior year to two percent plus real growth for a political subdivision including school districts and Educational Service Units. This bill does not take into consideration any other changes in revenue for the school districts or ESU's which could create significant funding issues for some school districts or ESU's.

Fiscal impact to school districts and ESU's cannot be determined. No fiscal impact to NDE.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
...				
Operating.....				
....				
Travel.....				
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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: 02/02/2026			
				Phone: 471-5896			
		FY 2026-2027		FY 2027-2028		FY 2028-2029	
	<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$ 0			\$ 0		\$ 0
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$ 0			\$ 0		\$ 0

LB 1219 would create a new act notwithstanding the Property Tax Growth Limitation Act and the School District Property Tax Limitation Acts so that beginning January 1, 2027, the total amount of property taxes that may be levied by a political subdivision in any year shall not exceed the total amount levied in the prior year by more than the allowable growth percentage.

Allowable growth percentage would be 2% plus the real growth percentage (political subdivision's real growth value divided by the political subdivision's total property valuation from the prior year).

Real growth value equals the increase in a political subdivision's total property valuation from the prior year to the current year due to (1) improvements resulting from new construction and additions to existing buildings; (2) any other improvements to real property increasing the value of such property; (3) annexation of real property; (4) change in use of property; and (5) any increase in personal property valuation over the prior year.

This bill will have an effect on TEEOSA, which will have a corresponding impact on General Fund expenditure.

It is estimated that there will be no costs for the Department of the Revenue to implement this bill.

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.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							

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

2026

LB⁽¹⁾ 1219

FISCAL NOTE

State Agency OR Political Subdivision
Name: ⁽²⁾

Lancaster County, Nebraska

Prepared by: ⁽³⁾ Dennis Meyer

Date Prepared: 1/26/2026
⁽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:

Beginning January 1, 2027, LB1219 limits the total amount of property taxes that may be levied by a political subdivision to the prior year's total levy plus an allowable growth percentage equal to 2% plus a real growth percentage based on new construction, annexation, use changes, and increases in personal property valuation. This creates a structural limitation on county property tax capacity that may not align with inflationary or mandated cost increases. The fiscal impact is potentially significant over time and may constrain the County's ability to fund ongoing operations and required services without reductions, delays, or shifts to alternative revenues.

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.....				
