

# 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 1183 amends section 77-201 to provide that all real property, not expressly exempt therefrom, shall be subject to taxation and shall be valued at 50% of its actual value, a change from being valued at its actual value.

The bill amends section 77-201 to provide regarding agricultural and horticultural land as well as agricultural and horticultural land that is specially valued, these lands shall be valued at 37.5% 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, 2027 (a change from January 1, 2022), such lands shall be valued at 25% of actual value/special valuation.

The bill also amends the acceptable ranges for valuation in section 77-5023. Regarding agricultural and horticultural land as well as agricultural and horticultural land that is specially valued, the acceptable range is 34.5-37.5% 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, 2027, the acceptable range is 22-25% of actual value/special valuation. The acceptable range for all other real property is 46-50% of actual value.

The bill amends section 79-1016 to change the definition of state aid value. Real property other than agricultural and horticultural land is changed to 48% of actual value under the definition. Agricultural and horticultural land is changed to 36% of actual value. Agricultural and horticultural land that receive special valuation is changed to 36% of special valuation.

The operative date for the bill is January 1, 2027.

The Department of Revenue (DOR) estimates that this bill affects the Tax Equity and Educational Opportunities Support Act (TEEOSA), which has a corresponding impact on General Fund expenditures. The DOR also estimates minimal costs to it as a result of the bill. There is no basis to disagree with these estimates.

The Lancaster County Assessor/Register of Deeds Office estimates programming costs 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.

We estimate an increase of General Fund expenditures for TEEOSA of \$1,103,160,056 for FY29 as a result of this bill's changes to valuations. The changes to valuations under the bill regarding principal and interest on bonds that are approved by a vote of the people does not affect TEEOSA estimates as these bonds are outside of TEEOSA calculations.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1183	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Kimberly Burns		DATE: 02/03/2026	PHONE: (402) 471-4171
COMMENTS: Concur with the Department of Revenue's estimate of negligible impact for the agency and agree with the assessment of General Fund fiscal impacts to state aid through changes to the TEEOSA formula.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1183	AM:	AGENCY/POLT. SUB: Lancaster County, Nebraska	
REVIEWED BY: Kimberly Burns		DATE: 01/30/2026	PHONE: (402) 471-4171
COMMENTS: Lancaster County, Nebraska's assessment of fiscal impact from LB 1183 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1183	AM:	AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds	
REVIEWED BY: Kimberly Burns		DATE: 01/27/2026	PHONE: (402) 471-4171
COMMENTS: No basis to dispute the Lancaster County Assessor/Register of Deeds' estimate of fiscal impact resulting from LB 1183.			

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2026

LB<sup>(1)</sup> 1183

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County, Nebraska

Prepared by: <sup>(3)</sup> Dennis Meyer Date Prepared: <sup>(4)</sup> 1/27/2026 Phone: <sup>(5)</sup> 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION				
	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(51.1M)		
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB1183 would reduce Lancaster County’s taxable real property base by roughly half, lowering total valuation from about \$47.1 billion to approximately \$23.6 billion. Applying existing levy authority to the reduced tax base would result in an estimated annual revenue loss of approximately \$51.1 million.

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.....				

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> 01/23/2026

Phone: <sup>(5)</sup> 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: This legislation would require some re-programming of our CAMA system. The amount is unknown, however we would anticipate it being less than \$35,000.

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.....				

## 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	
	<b>FY 2026-2027</b>	<b>FY 2027-2028</b>	<b>FY 2028-2029</b>
	<u>Expenditures</u>	<u>Expenditures</u>	<u>Expenditures</u>
	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
General Funds			
Cash Funds			
Federal Funds			
Other Funds			
Total Funds	\$ 0	\$ 0	\$ 0

LB 1183 amends Neb. Rev. Stat. § 77-201 by reducing the valuation of real property from 100% to 50%. LB 1183 reduces agricultural and horticultural land valuation (and land receiving special valuation) from 75% to 37.5% and down to 25% beginning on January 1, 2027.

LB 1183 amends Neb. Rev. Stat. § 77-5023 to make the acceptable range values for agricultural and horticultural land (and land receiving special valuation) 34.5% to 37.5% and 22% to 25% beginning on January 1, 2027. All other real property would have a range of 46% to 50%.

LB 1183 amends Neb. Rev. Stat. § 79-1016 by reducing state aid value for TEEOSA for agricultural and horticultural land (and land receiving special valuation) from 72% to 36% and all other real property from 96% to 48%.

The operative date for LB 1183 is January 1, 2027.

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

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

## 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.....							
<b>Total.....</b>							