

PREPARED BY: Doug Gibbs  
 DATE PREPARED: February 04, 2011  
 PHONE: 471-0051

**LB 319**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0		(\$ 2,700,000)	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0		(\$ 2,700,000)	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 319 amends Nebraska Revised Statute Section 77-3523, dealing with the homestead exemption.

The bill would limit the amount the state reimburses local political subdivisions for the homestead exemption program to \$75 million annually. If approved claims exceed that amount, the Tax Commission is to determine the amount to be reimbursed on a first-come, first-served basis based on the dates the claims were approved.

The Department of Revenue noted that homestead exemption applications are approved by both the counties and the Department and that the bill is unclear as to which approval and, consequently, which date is to be used by the Tax Commissioner.

The current appropriation to fund the homestead exemption program is \$65,000,000, with a deficit request of \$3,800,000 to bring the total necessary to fully fund the reimbursement to \$68,800,000.

LB 319 has an operative date of January 1, 2012.

The Department of Revenue estimates that cost to implement LB 319 will be minimal and the bill will reduce General Fund expenditures by the following:

FY11-12:	\$ 0
FY12-13:	\$ 2,700,000
FY13-14:	\$ 6,053,000
FY14-15:	\$10,278,000

There is no basis to disagree with the Department's estimate of cost and impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/8/11	PHONE	471-2526
COMMENTS					
DEPARTMENT OF REVENUE: Relative to the current base appropriation, the bill would allow an increase of \$10 million, which is less than the Governor's recommendation for FY 2012-13.					