

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$20,000		\$20,000	
CASH FUNDS		\$10,000		\$15,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$20,000	\$10,000	\$20,000	\$15,000

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

LB 457 amends a number of Nebraska Statutes dealing with the property tax valuation process.

Section 77-1301 is amended to provide for a notice of preliminary valuation from the county assessor to real property owners. The preliminary valuation notice is to be provided on or before January 15 of each year. The county assessor may fulfill this requirement by mailing the notice to the taxpayer; publishing the notice on a web site maintained by the assessor or the county; or publishing the notice in a newspaper of general circulation in the county or in counties of 250,000 inhabitants in a daily legal newspaper of general circulation.

The bill amends Section 77-1311 to provide that between January 15 and March 15 of each year, an owner of real property shall have the opportunity to meet in person with the county assessor or their representative. At this meeting, the county assessor shall provide the property owner with a basis for the property valuation contained in the preliminary notification and accept from the property owner any information relevant to the property value.

Section 77-1502 is amended to allow someone protesting their property valuation to meet in person with the county board of equalization or a referee appointed by the county board, to present information relevant to the protest.

A number of sections are amended to change dates, from March 19 to March 31, and Section 77-5027 is amended to reduce from 19 days to 15 days following the final filing due date for the abstract of assessment for real property, by which the Property Tax Administrator must deliver their annual reports and opinions to the Tax Equalization and Review Commission and each county assessor.

The bill has an operative date of January 1, 2012.

The Department of Revenue has estimated the cost to implement LB 457 will be \$20,000 for both FY2011-12 and FY12-13. The basis for this cost is the requirement for meeting with property owners. Because the Department handles the assessment function for seven counties, the Department will incur this cost. However, the cost is somewhat mitigated because those counties are required to reimburse the Department for expenses as required by LB 121, passed in 2009. Reimbursement will go to the Department of Revenue Property Assessment Cash Fund and will be 50 percent the first year and 75 percent the second year.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials indicates that the bill could have significant fiscal impact on certain counties in the state. They indicate that while it is hard to make specific dollar estimates related to the proposed changes, several counties will be required to employ additional staff within the assessor's office to comply with the preliminary notification requirement.

Lancaster County indicated no fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/16/11	PHONE	471-2526
COMMENTS					
LANCASTER COUNTY: No basis upon which to disagree with the county's estimate.					
NEBRASKA ASSOCIATION OF COUNTY OFFICIALS: It is not unreasonable to assume that some counties will be affected by the new requirements.					