

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 1089 amends Nebraska Revised Statutes Section 77-376 to provide that audit and examination criteria and standards, discovery techniques, the design of technological systems to detect fraud and inconsistencies, and other such techniques used by the Department of Revenue to detect fraud, underreporting, and tax avoidance are confidential information.

New language in the bill provides that property that is destroyed or damaged by a major calamity between the normal assessment date of the property and July 15 may be reassessed upon petition by the property owner. The county assessor is to file a report with the county board of equalization by July 20. The county board then may approve or deny the report. If approved, the report is to be forwarded to the Property Tax Administrator. If the county board denies the report, an appeal may be filed with the Tax Equalization and Review Commission. Major calamity is defined in the bill.

Section 77-2791 is amended to provide that a refundable tax credit is considered an overpayment to that extent that the credit exceeds the tax liability.

A number of sections of statute dealing with the homestead exemption are amended to:

- Merge the classification granted in Section 77-3509, regarding the unmarried spouse of a serviceman or servicewoman who died while on active duty or the surviving spouse of such person who remarries after age 57, into the classification granted in Section 77-3506, which is for disabled veterans or their spouses.
- Clarifies language regarding the transfer of homestead exemptions when the recipient moves and harmonizes language;
- Eliminates the difference between original applications for a homestead exemption and the certification that nothing has changed in subsequent years. Does not change status and basically harmonizes language and usage;
- Requires notification of a rejection be sent within 10 days.
- Amends Sections 77-3509.01 and 77-3509.02 to provide that the deadline for filing an application for transfer will move from August 15 to within 30 days of receiving a rejection notice;
- Amends Section 77-3523 to require, in addition to the county treasurer, that the county assessor file reports or amended reports which claim tax loss for the homestead exemption.

The bill contains the emergency clause.

The Department of Revenue estimates a minimal fiscal impact to the General Fund and minimal cost to implement the provisions of LB 1089.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1089	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton		DATE: 2/5/2018	PHONE: <a href="tel:4024714181">(402) 471-4181</a>
COMMENTS: No basis upon which to disagree with the Department of Revenue's analysis.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1089	AM:	AGENCY/POLT. SUB: NE. Assoc. of County Officials (NACO)
REVIEWED BY: Lyn Heaton	DATE: 2/2/2018	PHONE: <a href="tel:4024714181">(402) 471-4181</a>
COMMENTS: Concur with the NACO analysis that the fiscal impact on counties is indeterminate.		



4. Require the notice of rejection of a homestead exemption for any reason to be sent within 10 days after the rejection. Currently there are different dates required for the rejection notices depending on the reason for the rejection, and “within a reasonable time” is one of the deadlines;
5. Amend §§ 77-3509.01 and 77-3509.02 to provide that the deadline for filing an Application for Transfer of Nebraska Homestead Exemption, Form 458T, will move from August 15 to within 30 days of receiving a Notice of Rejection of Homestead Exemption, Form 458R; and
6. Amend § 77-3523 to require the county assessor, in addition to the county treasurer, to file those reports or amended reports which claim tax loss for homestead exemptions that have been granted.

The property assessment and homestead exemption provisions are operative January 1, 2019. Sections 1 & 3 are operative on their effective date with an emergency clause.

The Department estimates a minimal effect on General Fund expenditures due to the changes in the homestead exemption program.

The Department estimates that there will be minimal costs to the Department to implement this bill.

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**2018**

**LB<sup>(1)</sup> 1089**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Association of County Officials (NACO)

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/22/2018 Phone: <sup>(5)</sup> 402.434.5660

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2018-19</u>		<u>FY 2019-20</u>	
	<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:

The fiscal impact to counties is unknown. There would be a loss in valuation if a major calamity occurs between January 1 and July 15. Additional workload would be required for reassessing values for property destroyed or damaged by a major calamity occurring during such timeframe.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____