

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2020-21		FY 2021-22	
	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 812 amends provisions of the Tax Equalization and Review Commission Act. The bill authorizes the commission to issue an order for the Property Tax Administrator or the county board of equalization to reconsider or rehear a matter within 60 days of the commission's order. Any decision, action, order, or determination made after reconsideration or rehearing can be appealed to the commission within 30 days.

The bill also amends the acceptable range for valuation of all real property, other than agricultural or horticultural land or land receiving special valuation, from 92% to 100% of actual value to 94% to 100% of actual value.

The Tax Equalization and Review Commission and the Department of Revenue estimate no cost to implement the bill. The Nebraska Association of County Officials estimates there could be some additional costs to counties to rehear or reconsider cases and some additional costs for show cause hearings related to the change in acceptable ranges for valuation for residential and commercial property. There is no basis to disagree with these estimates.

Value is adjusted to a higher percentage of market value for TEEOSA purposes, so we do not estimate any impact on state aid to schools under the current TEEOSA formula as a result of the bill. In counties where the valuation percentage is 92% -94% and is adjusted up as a result of the bill, there could be an impact on actual property taxes levied to local political subdivisions, but it would depend on decision making at the local level in regard to the tax levy.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 812 AM: AGENCY/POLT. SUB: Tax Equalization & Review Commission
 REVIEWED BY: Lee Will DATE: 01/14/2020 PHONE: (402) 471-4175
 COMMENTS: Concur with the Tax Equalization & Review Commission's assessment of no fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 812 AM: AGENCY/POLT. SUB: Department of Revenue
 REVIEWED BY: Lee Will DATE: 02/17/2020 PHONE: (402) 471-4175
 COMMENTS: Concur with the Department of Revenue's assessment of fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 812 AM: AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)
 REVIEWED BY: Lee Will DATE: 01/21/2020 PHONE: (402) 471-4175
 COMMENTS: No basis to disagree with NACO's assessment of fiscal impact given the assumptions used.

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

2020

LB⁽¹⁾ 812

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Tax Equalization & Review Commission

Prepared by: ⁽³⁾ Rob Hotz Date Prepared: ⁽⁴⁾ January 9, 2020 Phone: ⁽⁵⁾ 402-471-2842

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2020-21		FY 2021-22	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2020-21	2021-22
	20-21	21-22	EXPENDITURES	EXPENDITURES
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2020

LB⁽¹⁾ 812

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/13/2020 Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2020-21</u>		<u>FY 2021-22</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:

Rehearings Provisions of LB 812 (sections 2 and 3):

Assuming TERC remands cases at the same rate as the appellate courts, we would expect 20 cases to be reheard per year. On average, counties spend \$425 to \$450 hours on a TERC case. NACO therefore projects a statewide cost of \$ \$8,500 to \$9,000 per year for counties.

Acceptable Range portion of LB 812 (section 4):

21 counties had a residential level of value of either 93 or 94; four counties had commercial values at either 93 or 94. NACO estimates that half that number would go to TERC for a show cause hearing. Those who generally prepare for and attend the show cause hearings on behalf of the county include the county assessor, appraiser, county attorney and/or board member(s) , who would spend 6.5 hours (by a small and medium-sized county), on average, of the potential county officials' time. On average, this would cost a typical county between \$425 and \$450 per case, excluding travel time or appraiser's time. NACO therefore projects a statewide cost of \$5,312.50 - \$5,625 per year.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2020-21 EXPENDITURES</u>	<u>2021-22 EXPENDITURES</u>
	<u>20-21</u>	<u>21-22</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____