

Revised per Response from Dept. of Revenue

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$136,458			\$337,000,000
CASH FUNDS			(\$340,000,000)	(\$337,000,000)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$136,458		(\$340,000,000)	\$0

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

This fiscal note has been updated to reflect the Department of Revenue’s (DOR) costs to implement this bill as well to incorporate their estimated revenue impacts.

Under LB 69, the 70% of the casino gaming tax would be credited to a fund named the Property Tax Assistance Cash Fund under the bill. The Property Tax Assistance Cash Fund would be the new name of the Property Tax Credit Cash Fund per the bill.

The bill would change the 40% of the 5% tax of the net operating revenue for each cash device to go to the Property Tax Assistance Cash Fund, as well.

The Property Tax Credit Act would be renamed as the Property Tax Assistance Act and the purpose for the Act would be to provide property tax relief for property taxes levied against homesteads. The minimum amount of relief under the Act would be eliminated starting tax year 2025.

Under the bill, for tax year 2025, all homesteads in the state would be assessed for taxation the same as other property, except that there would be exempt from taxation of a homestead a dollar amount equal to a percentage of the assessed value of the homestead. Such percentage would be applied statewide and would be determined annually by the Property Tax Administrator based on appropriations to the Property Tax Assistance Cash Fund. For tax year, 2025, an owner of a homestead would file an application for the homestead exemption. For tax year 2026 and subsequent tax years, if an owner has been granted the homestead exemption provided in this bill, no reapplication need be filed for succeeding years, in which case the county assessor would determine whether the claimant qualifies for the homestead exemption in such succeeding years as though a claim were made. Sections 77-3501 to 77-3529 and Laws 2024, LB 126, section 3, would apply to the homestead exemption provided in this bill. Reimbursement to counties for the homestead exemption would be made from the Property Tax Assistance Cash Fund.

The State Treasurer would transfer from the General Fund to the Property Tax Assistance Cash Fund \$90 million by August 1, 2025.

The Legislature would have the power to transfer funds from the Property Tax Assistance Cash Fund to the General Fund.

The DOR estimates the following decrease to the Property Tax Assistance Cash Fund (which would be an increase to General Fund revenues):

- FY26: (\$340,000,000)
- FY27: (\$445,000,000)
- FY28: (\$460,000,000)
- FY29: (\$475,000,000)

Additionally, the DOR estimates a one-time programming cost of \$136,458 to be paid to the Office of the Chief Information Officer (OCIO) as result of this bill.

We agree with these estimates by the DOR, except that the increase to the General Fund would be \$3 million less each fiscal year and the decrease to the Property Tax Assistance Cash Fund would be \$3 million less each fiscal year, as well, due to the transfer from the General Fund to this Cash Fund being \$3 million less than the minimum amount of relief under the Property Tax Credit Act before it accrues interest and is expended out of the Cash Fund at the minimum relief amount under the Act.

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

2024

LB⁽¹⁾ 69

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ NE Racing & Gaming Commission

Prepared by: ⁽³⁾ Rita Pracht Date Prepared: ⁽⁴⁾ 7/29/24 Phone: ⁽⁵⁾ 531-310-4536

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

No fiscal impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

