

Revised per General File Amendment

# FISCAL NOTE

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$12,730,740)		(\$10,197,524)
CASH FUNDS	\$5,000,000	\$2,073,500	\$5,000,000	\$1,219,500
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$10,657,240)		(\$8,978,024)

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

LB 468 was amended by AM874 on General File. The bill, as amended, is discussed below.

LB 468 reduces the transfer by \$5 million from the Securities Act Cash Fund to the General Fund from FY26 through FY29. The bill adds that, beginning July 1, 2025, the State Treasurer shall distribute \$5 million annually from the Securities Act Cash Fund to the counties proportionately in the proportion that the total taxable valuation of all real and personal property in the county bears to the total taxable valuation of all real and personal property in the state.

The bill raises the fee from \$25 to \$50 for the entire proceedings of a marriage license, administering the related oaths or affirmations, and recording a marriage certificate. The additional fee of \$9 for each certified copy of a marriage record on file in the office of the county clerk is changed to \$20. These fees are deposited in the county general fund. The bill adds that it is the intent of the Legislature to examine the amount of the fees at least once every 5 years beginning in 2030 in order to determine whether such fees should be adjusted.

The bill changes county sheriff identification fee from \$10 to \$30 plus mileage at the rate provided in section 33-117 for each mile in excess of 10 miles that was actually and necessarily traveled in conducting the identification inspection. This fee is credited to the county general fund. The bill adds that it is the intent of the Legislature to examine the amount of the fee at least once every 5 years beginning in 2030 in order to determine whether such fee should be adjusted.

Under the bill, the percentage of the motor vehicle tax proceeds collected for costs incurred by the county treasurer is changed from 1% to 2%. The bill changes the percentage allocated to counties of motor vehicle tax proceeds from 22% to 21.8%. For cities and villages, the percentage is changed from 18% to 18.2%, except that if the tax district is not in a city or village, 40% shall be allocated to the county, and in counties containing a city of the metropolitan class, the percentage is changed from 18% to 17.8% for what is allocated to the county and the percentage is changed from 22% to 22.2% for what is allocated to the city or village.

LB 468 keeps the documentary stamp tax rate at \$2.25 for each \$1,000 value of real estate, or fraction thereof.

The bill does change the distribution of the tax.

Currently, the tax is distributed as follows:

- \$0.50 to county general funds
- \$0.95 to the Affordable Housing Trust Fund
- \$0.25 to the Site and Building Development Fund
- \$0.25 to the Homeless Shelter Assistance Trust Fund
- \$0.30 to the Behavioral Health Services Fund

The bill changes the distribution to the following:

- \$0.75 to county general funds
- \$0.95 to the Affordable Housing Trust Fund
- \$0.25 to the Homeless Shelter Assistance Trust Fund
- \$0.30 to the Behavioral Health Services Fund

The bill changes the distribution of car line taxes so that on and after September 1, 2025, the Property Tax Administrator shall remit the tax collected, less a 3% collection fee, to the State Treasurer for distribution among the counties. The State Treasurer shall distribute 90% of such amount to the counties that levy railroad taxes in proportionate amounts based upon the ratio of the total railroad taxes levied by the county to the total railroad taxes levied by all counties. The State Treasurer shall distribute remaining 10% of such taxes to the counties that do not levy railroad taxes in proportionate amounts based upon the ratio of the total taxable valuation of all real and personal property in the county to the total taxable valuation of all real and personal property within those counties that do not levy railroad taxes. The collection fee shall be remitted to the State Treasurer for credit to the Department of Revenue (DOR) Property Assessment Division Cash Fund.

The bill changes the percentages of the distributions of taxes paid in conformity with Chapter 44, article 1, and Chapter 77, article 9 from 50% to 60% going to the State Treasurer and from 40% to 30% going to the General Fund. Section 77-913 is also amended regarding the Insurance Tax Fund so that 25%, a change from 10%, shall be allocated to the counties proportionately in the proportion that the total taxable valuation of all real and personal property in the county bears to the total taxable valuation of all real and personal property in the state. 25%, a change from 30%, shall be allocated to the Municipal Equalization Fund and 50%, a change from 60%, shall be allocated to the State Department of Education for distribution to school districts.

The bill changes the fee for issuing distress warrants from \$2 to \$20 credited to the county general fund. The bill adds that it is the intent of the Legislature to examine the amount of the fee at least once every 5 years beginning in 2030 in order to determine whether such fee should be adjusted.

The bill amends section 77-1804 regarding the \$5 fee of real property subject to sale so the fee is changed to \$20. The bill adds that it is the intent of the Legislature to examine the amount of the fee at least once every 5 years beginning in 2030 in order to determine whether such fee should be adjusted.

The bill changes section 77-2004 so that for decedents dying on or after July 1, 2025, the inheritance tax rate would be changed to 1% of the clear market value of the property received by each person in excess of \$150,000.

The bill changes section 77-2005 so that for decedents dying on or after July 1, 2025, the inheritance tax rate would be changed to 3% of the clear market value of the property received by each person in excess of \$50,000.

The bill changes section 77-2006 so that for decedents dying on or after July 1, 2025, the inheritance tax rate would be changed to 3% of the clear market value of the beneficial interests received by each person in excess of \$50,000.

The bill changes the tax rate of the nameplate capacity tax from \$3,518 per megawatt to \$6,560 per megawatt. The bill adds that on January 1, 2027 and on each January 1 thereafter, the Department of Revenue (DOR) shall adjust the tax rate by the average annual percentage change in the total amount of property taxes levied statewide over the most recent 10-year period for which such information is available. If the adjusted tax rate is not a whole dollar amount, it shall be rounded to the nearest whole dollar amount.

The bill amends the ImagiNE Act. Section 77-6831 is amended so that sales and use tax incentives are removed under subsection (1)(c) and property tax exemptions under subsection (8)(b) and (8)(c). The bill adds that changes made in sections 77-6815, 77-6831, and 77-6833 by this bill apply to all applications filed on and after January 21, 2025. For all applications filed prior to such date, the provisions of the ImagiNE Nebraska Act as they existed immediately prior to such date apply.

The bill outright repeals sections 77-2701.54 and 77-2704.62 to remove the sales tax exemption regarding data centers.

The bill is operative on July 1, 2025.

The bill contains the emergency clause.

#### **Revenues:**

The Department of Banking and Finance estimates an increase of \$5 million in the Securities Act Cash Fund per fiscal year as a result of the reduced General Fund transfers from the Fund. There would also be a reduction in General Fund revenue by \$5 million each fiscal year due to the reduced transfer from the Securities Act Cash Fund to the General Fund.

The Department of Insurance estimates General Fund revenue losses, due to the changes to the premium tax in the bill, of \$14,492,740 in FY26 and \$15,206,524 in FY27. Additionally, we estimate General Fund revenue losses of \$15,960,975 in FY28 and \$16,753,149 in FY29. The changes to the premium tax made under the bill going to the State Treasurer for distribution are estimated to result in similar amounts going to school districts and municipalities while an increased amount going to counties compared to current law.

The revenue estimates of the Department of Economic Development (DED) and DOR for changes to the documentary stamp tax have been averaged with the timing in the first fiscal year of DED utilized and are the following:

Fiscal Year	County	Site and Building Development Fund
25-26	\$ 3,480,000	\$ (3,177,500)
26-27	\$ 3,999,500	\$ (3,999,500)

The DOR estimates the following increase to General Fund revenues as a result of changes to the Imagine Act:

- FY26: \$0
- FY27: \$4,599,000
- FY28: \$9,429,000
- FY29: \$9,900,000
- FY30: \$10,395,000
- FY31: \$10,915,000
- FY32: \$11,461,000

There is no basis to disagree with this estimate by the DOR.

The DOR estimates the following increase to revenues as a result of repealing the sales tax exemption for data centers:

Fiscal Year	General Fund revenues	Highway Trust Fund	Highway Allocation Fund	Total
FY25-26	\$ 6,762,000	\$ 251,000	\$ 44,000	\$ 7,057,000
FY26-27	\$ 5,410,000	\$ 219,000	\$ 39,000	\$ 5,668,000
FY27-28	\$ 4,328,000	\$ 175,000	\$ 31,000	\$ 4,534,000
FY28-29	\$ 3,462,000	\$ 140,000	\$ 25,000	\$ 3,627,000

There is estimated to be a revenue increase to the Highway Trust Fund and the Highway Allocation Fund, which is distributed to cities and counties.

There is no basis to disagree with this estimate by the DOR.

Political subdivisions and the Nebraska Association of County Officials estimate various other increases for revenues as a result of the bill as well as reductions to revenues from the changes to inheritance tax under the bill.

#### Expenditures:

The Department of Banking and Finance estimates a need for \$5 million of appropriation each fiscal year as a result of \$5 million to be sent to counties from the Securities Act Cash Fund.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 468	AM: 874	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY: Ryan Yang		DATE: 4/30/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the State Treasurer assessment of no fiscal impact from LB 468, AM 874.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 468	AM: 874	AGENCY/POLT. SUB: Nebraska Department of Education (NDE)	
REVIEWED BY: Ryan Yang		DATE: 4/22/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the NDE assessment of indeterminate fiscal impact from LB 468, AM 874.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 468	AM: 874	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Ryan Yang	DATE: 4/30/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Revenue assessment of fiscal impact from LB 468, AM 874.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 468	AM: 874	AGENCY/POLT. SUB: Department of Insurance
REVIEWED BY: Ryan Yang	DATE: 4/22/2025	PHONE: (402) 471-4178
COMMENTS: The Department of Insurance assessment of fiscal impact from LB 468, AM 874 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 468	AM: 874	AGENCY/POLT. SUB: Nebraska Department of Banking and Finance
REVIEWED BY: Ryan Yang	DATE: 4/22/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the Nebraska Department of Banking and Finance assessment of fiscal impact from LB 468, AM 874.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 468	AM: 874	AGENCY/POLT. SUB: Department of Economic Development (DED)
REVIEWED BY: Ryan Yang	DATE: 4/23/2025	PHONE: (402) 471-4178
COMMENTS: The DED assessment of fiscal impact from LB 468, AM 874 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 468	AM: 874	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)
REVIEWED BY: Ryan Yang	DATE: 4/21/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the NACO assessment of fiscal impact from LB 468, AM 874.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 468	AM: 874	AGENCY/POLT. SUB: Lancaster County Treasurer
REVIEWED BY: Ryan Yang	DATE: 4/22/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County Treasurer assessment of no fiscal impact from LB 468, AM 874.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 468	AM: 874	AGENCY/POLT. SUB: Lancaster County Clerk
REVIEWED BY: Ryan Yang	DATE: 4/22/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County Clerk assessment of fiscal impact from LB 468, AM 874.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 468	AM: 874	AGENCY/POLT. SUB: Lancaster County Sheriff's Office
REVIEWED BY: Ryan Yang	DATE: 4/22/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County Sheriff's Office assessment of positive fiscal impact from LB 468, AM 874.		

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

2025

LB<sup>(1)</sup> 468 AM 874

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Banking and Finance

Prepared by: <sup>(3)</sup> Shauna Paolini Date Prepared: <sup>(4)</sup> 04.21.2025 Phone: <sup>(5)</sup> 402-471-4954

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	5,000,000	5,000,000	5,000,000	5,000,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	5,000,000	5,000,000	5,000,000	5,000,000

Explanation of Estimate:

Sec. 1 (7) reduces the annual transfers out of the Securities Act Cash Fund from \$34M to \$29M on or before June 30, 2026, and from \$28M to \$23M for subsequent years. The \$5M will be transferred to the counties. As a result of LB468, the transfers to the General Fund would decrease by \$5M annually. Lowering the amount of the transfers yearly creates a revenue fund increase within the Securities Fund. There is an equal amount of annual expenditure out of the fund, to outside entities, local counties, if LB468 passes. This will create the need for a \$5M appropriation increase for aid if the bill passes.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Insurance

Prepared by: <sup>(3)</sup> Jordan Blades

Date Prepared: <sup>(4)</sup> 5/1/25

Phone: <sup>(5)</sup> 402-471-4638

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(14,492,740)		(15,206,524)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(14,492,740)		(15,206,524)

Explanation of Estimate:

LB 468 as amended by AM 874 would require the Department of Insurance to transmit 60% of premium taxes collected annually to the State Treasurer to then be allocated to counties, the Municipal Education fund, and the Department of Education as prescribed. Currently, the Department transmits 50% of premium taxes collected to the Treasurer, 40% to the General Fund, and 10% to the Mutual Finance Assistance Fund. Under AM 874, 60% would be transmitted to the Treasurer while 30% would go to the General Fund with the amount to the Mutual Finance Assistance Fund unchanged.

Based on the premium taxes collected in 2025 for tax year 2024 along with projected trends in future premium taxes collected, the department estimates that this would result in a loss of \$14,492,740 in general fund revenue in FY 2025-26, and \$15,206,524 in FY 2026-2027.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Education

Prepared by: <sup>(3)</sup> Bryce Wilson

Date Prepared: <sup>(4)</sup> 4/18/25

Phone: <sup>(5)</sup> 402-471-4320

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB 468 AM 874 reduces the percentage of insurance premium tax money used to fund the TEEOSA payments which will result in additional General fund dollars being used to fund TEEOSA. Amount can't be determined at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				



LB<sup>(1)</sup> 468 AM 874

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County Assessor/Register of Deeds

Prepared by: <sup>(3)</sup> Dan Nolte

Date Prepared: <sup>(4)</sup> 04/21/25

Phone: <sup>(5)</sup> 402-441-7463

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:  
The proposed legislation and amendment do not appear to have a fiscal impact on this office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

# 2025

## FISCAL NOTE

Prepared by: <sup>(3)</sup> Matt Hansen Date Prepared: <sup>(4)</sup> 4/21/2025 Phone: <sup>(5)</sup> (402)441-7481

	FY 2025-26		FY 2026-27	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		\$93,700		\$93,700
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$93,700		\$93,700

With both increases in fees, the total revenue increase to the Clerk's Office would be \$93,700.

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County Sheriff's Office

Prepared by: <sup>(3)</sup> Terry Wagner

Date Prepared: <sup>(4)</sup> 04/21/2025

Phone: <sup>(5)</sup> 4024416500

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$664,170		\$704,020
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$664,170		\$704,020

Explanation of Estimate: Sec. 3 (2) This 2025-26 estimate is based upon the number of Title Inspections we performed in 2024 (22,139) multiplied by \$30.00 as stated in AM874. Over the past 5 years our title inspections have increased 5-7% per year. I increased the number of inspections we anticipate in FY 2026-27 by 6% (23,467) and multiplied by \$30.00. Sec. 9 I currently do not have the number of Distress Warrants received and served by my office. Those service fees, along with the tax owed are all deposited into the County General Fund

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

# 2025

## FISCAL NOTE

Prepared by: <sup>(3)</sup> Rachel Garver Date Prepared: <sup>(4)</sup> April 21, 2025 Phone: <sup>(5)</sup> 402-441-7425

	FY 2025-26		FY 2026-27	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		\$1,513,635		\$1,543,635
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$1,513,635		\$1,543,635

From Section 10: The revenue from the fee increase for delinquent parcel advertising is dependent upon the number of delinquent parcels. The average number of delinquent parcels from the last five years was used for the number of parcels placed in the newspaper ad. The increase in revenue is projected to be \$18,285 for each of the next 2 fiscal years.

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

**2025**

**LB<sup>(1)</sup> 468, AM874**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 4/17/2025 Phone: <sup>(5)</sup> 402.434.5660

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

	<b><u>FY 2025-26</u></b>		<b><u>FY 2026-27</u></b>	
	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB468 would change certain fees and amend the redistribution of other tax revenue. NACO analyzed data from county budgets, the State Treasurer's Office, and reports/information published and released by the Department of Revenue during a three-year timeframe. Here is a breakdown of estimated changes in revenue based on LB468:

Section 1 - Securities Act Case Fund: \$5 million to the counties proportionately based on real and personal property in the county in comparison to total amount in the state  
Section 2 - Marriage License Fees: \$219,094 increase Increase fee from \$25 to \$50  
Section 3 - Motor Vehicle Inspections: \$2,141,751 increase from \$10 to \$30 for inspection plus mileage  
Section 4 - County Motor Vehicle Tax: 2,528,000 1% to 2% increase for administrative fee  
Section 5 - Documentary Stamp Tax: \$4,179,534 Increase - increase from 50 cents to 75 cents collected on each document  
Section 6 - Collection Fee for Car Line Tax - \$2,421,922 - 3% to be distributed to counties - distribution of 90% to counties with railroad tax levies and 10% to counties that do not levy a railroad tax  
Section 7 and 8 - Insurance Premium Tax Reallocation: \$14,810,000 increase  
Section 9 - Distress Warrant Fees: \$258,570 increase - increase from \$2 to \$20  
Section 10 - Advertising Properties with Delinquent Taxes: \$282,495 Increase - increase from \$5 to \$20  
Section 14 - Nameplate Capacity Tax Reallocation: \$2,927,344 increase across the state to all counties  
Total Revenue Increase: \$34,768,779 increase

**Inheritance Tax Reduction:**

Section 11 - Class I: Increase Exemption from \$100,000 to \$150,000  
Section 12 - Class II Adjustment: Decrease percentage tax rate reduced from 11 % to 3% and the exemption increased from \$40,000 to \$50,000.  
Section 13 - Class III Adjustment: Decrease percentage tax rate reduced from 15 % to 3% and the exemption increased from \$25,000 to \$50,000.

Total Revenue Decrease: \$34,304,016

In sum, NACO estimates that LB468 would decrease county revenue by \$34,304,016 and increase county revenue by \$34,768,779. In total an increase of \$464,763.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b><u>POSITION TITLE</u></b>	<b><u>NUMBER OF POSITIONS</u></b>		<b><u>2025-26</u></b>	<b><u>2026-27</u></b>
	<b><u>25-26</u></b>	<b><u>26-27</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

### State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:		
Approved by: James R. Kamm		Date Prepared: 04/30/2025		Phone: 471-5896		
	<b><u>FY 2025-2026</u></b>		<b><u>FY 2026-2027</u></b>		<b><u>FY 2027-2028</u></b>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		\$6,762,000		\$10,009,000		\$13,757,000
Cash Funds		\$(3,028,000)		\$(3,834,000)		\$(3,999,000)
Federal Funds						
Other Funds		\$3,323,000		\$4,092,000		\$4,205,000
Total Funds		\$7,057,000		\$10,267,000		\$13,963,000

LB 468 AM 874 changes distributions from the Securities Act Cash Fund to the General Fund as follows:

- \$29 million on or before June 30, 2026.
- \$23 million on or before June 30, 2027.
- \$23 million on or before June 30, 2028.
- \$23 million on or before June 30, 2029.

LB 468 AM 874 creates an annual distribution to the counties of \$5 million in proportion to the total taxable valuation of all real and personal property when compared to the total taxable valuation of all real and personal property in the state.

LB 468 AM 874 modifies the following fees and creates an intent that the legislature examines the fees every five years beginning in 2030:

- Raises the fee of the proceedings of issuing a marriage license from \$25 to \$50 and the fee of a certified copy of the marriage record from \$9 to \$20.
- Raise the fee of identification inspections conducted by a county sheriff from \$10 to \$30 plus the mileage rate in 33-117 for every mile in excess of ten miles traveled.

LB 468 AM 874 changes the allocation of the motor vehicle tax proceeds as follows:

- Increases the amount the county treasurer retains from 1% to 2%, lowers the amount allocated to the county from 22% to 21.8%, and increases the percent allocated to the city or village from 18% to 18.2%.
- If the county contains a city of the metropolitan class, the amount allocated to the county decreases from 18% to 17.8% and the amount allocated to the city or village is increased from 22% to 22.2%.

Register of deeds amount retained for the county general fund increased from .50 cents to .75 cents and removes the Site Building and Development Fund allocation of .25 cents.

Major Objects of Expenditure							
<u>Class Code</u>	<u>Classification Title</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
<b>Total.....</b>							

After September 1, 2025, AM 874 modifies how the State Treasurer distributes the carline taxes to the counties by including counties that do not levy railroad taxes.

LB 468 AM 874 modifies the distribution of the Insurance Tax Fund as follows:

- Increases the amount allocated to the counties from 10% to 25%, reduces the amount allocated to the Municipal Equalization Fund from 30% to 25%, decreases the amount allocated to the State Department of Education from 60% to 50%.
- Changes the distribution to counties based on total taxable valuation when compared to the state from population of each county compared to the state.

LB 468 AM 874 changes the amount charged for issuing distress, levy, and returned warrants from \$2 to \$20. Fees charged for publishing notice of properties subject to tax sale from \$5 to \$20. Intent was stated to review fees every 5 years, starting in 2030.

LB 468 AM 874 changes the inheritance tax rate on or after July 1, 2025, as follows:

- For immediate family – from 1% of the clear market value in excess of \$100,000 to 1% of the clear market value more than \$150,000.
- For extend family - from 11% of the clear market value of the property received in excess of \$40,000 to 3% of the clear market value of the property received in excess of \$50,000.
- For all other transactions – from 15% of the clear market value of the beneficial interests received in excess of \$25,000 to 3% of the clear market value of the beneficial interests received in excess of \$50,000.

LB 468 AM 874 raises the annual nameplate capacity tax on renewable energy generation facilities from \$3,518 per megawatt to \$6,560 per megawatt.

LB 468 AM 874 creates the requirement that the Department of Revenue adjust the tax rate by the average annual percentage change in the total amount of property taxes levied statewide over the most recent ten-year period, rounded to the nearest whole dollar amount.

LB 468 AM 874 amends the ImagiNE Nebraska Act. For applications filed after January 21, 2025 the modernization application level that required \$50 million in cumulative investment and maintenance of employment is removed. A taxpayer is no longer entitled to the sales and use tax incentive or the property exemption for the modernization application level.

LB 468 AM 874 removes the sales tax exemption related to data centers.

Removes documentary stamp tax as funding source for the Site and Building Development Fund.

This bill contains an emergency clause and becomes law upon enactment.



Fiscal Impact:

Note that the fiscal impact from DOR only addresses the tax provision which includes change to the ImagiNE Act, the doc stamp tax, the repeal of sale and use tax exemption for data center under 77-2701.54 and 77-2704.62 and nameplate capacity tax.

Changing Documentary Stamp Tax under LB 468 AM 874 will have the following impact on various funds:

Fiscal Year	County General Fund (County)	Site and Building Development Fund
FY25-26	\$ 3,279,000	\$ (3,279,000)
FY26-27	\$ 4,053,000	\$ (4,053,000)
FY27-28	\$ 4,174,000	\$ (4,174,000)
FY28-29	\$ 4,300,000	\$ (4,300,000)

Changes to the ImagiNE Act are estimated to impact on the General Fund revenues as follows:

Fiscal Year	General Fund revenues
FY25-26	\$ -
FY26-27	\$ 4,599,000
FY27-28	\$ 9,429,000
FY28-29	\$ 9,900,000
FY29-30	\$ 10,395,000
FY30-31	\$ 10,915,000
FY31-32	\$ 11,461,000

It is estimated that repealing of sale and use tax exemption for data center under 77-2701.54 and 77-2704.62 will have the following impact:

Fiscal Year	General Fund revenues	Highway Trust Fund	Highway Allocation Fund	Total
FY25-26	\$ 6,762,000	\$ 251,000	\$ 44,000	\$ 7,057,000
FY26-27	\$ 5,410,000	\$ 219,000	\$ 39,000	\$ 5,668,000
FY27-28	\$ 4,328,000	\$ 175,000	\$ 31,000	\$ 4,534,000
FY28-29	\$ 3,462,000	\$ 140,000	\$ 25,000	\$ 3,627,000

The proposed increase in the nameplate capacity tax under LB 468 AM 874 is projected to generate approximately \$11 million in additional tax revenue for the county in fiscal year 2025-2026.

It is estimated that there will be minimal costs for the Department of Revenue to implement this bill.

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters

Date Prepared: <sup>(4)</sup> April 18, 2025

Phone: <sup>(5)</sup> 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:  
The State Treasurer’s Office doesn’t expect any fiscal impact from LB 468, AM 874 to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

**2025**

**LB<sup>(1)</sup> 468 AM874**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Economic Development

Prepared by: <sup>(3)</sup> Dave Dearmont Date Prepared: <sup>(4)</sup> 4/21/25 Phone: <sup>(5)</sup> (402) 471-3777

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

	<b>FY 2025-26</b>		<b>FY 2026-27</b>	
	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>
GENERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

**Explanation of Estimate:**

LB 468 as amended by AM874 seeks to change how certain funds to counties are distributed, to change provisions relating to certain fees and taxes, to change the amount and distribution of various taxes, including the Documentary Stamp Tax, and to change provisions of the ImagiNE Nebraska Act. Portions of the bill that affect DED include changes to the ImagiNE Act and elimination of the transfer of funds from the Doc Stamp Tax to the Site and Building Development Fund (SBDF).

LB 468 as amended by AM874 would amend the ImagiNE Act by eliminating the Modernization Tier of ImagiNE (\$50 million investment with no job increase). Consistent with these changes, Neb. Rev. Stat § 77-6833 would be amended to delete the second sentence of paragraph (1), which removes the language regarding the treatment of the average compensation and health coverage requirements as required levels of employment for purposes of recapture for these benefits. The bill as amended would apply to ImagiNE applications filed on or after January 21, 2025.

As amended, the bill would also make changes to the distribution of the Documentary Stamp Tax. AM874 would change the distribution of the Documentary Stamp Tax to eliminate the \$0.25 distribution to the SBDF and increase the amount retained by the counties, from \$0.50 to \$0.75.

Given the operating date of July 1, 2025, DED assumes that there is a two-month lag between transactions subject to the tax and distribution to the cash funds. For example, counties will remit taxes collected for June transfers to the Department of Revenue in July and these funds will be distributed in August to the various cash funds. The tables below show the forecasted net impact of LB468. The amount retained by the counties would be lagged by one month.

The portions of LB468 as amended that affect the SBDF cash fund would impact the ability of the department to recruit new business and business expansions in Nebraska. However, the reduction in staffing for the program would not likely occur until after FY2026-27. The portions of the bill dealing with ImagiNE would have no impact on DED's administration of the ImagiNE Act.

Net Impact of LB468 on Doc Stamp Distribution		
Fiscal Yr	Site & Building Fund	County
Current Dist.	\$0.25	\$0.50
LB468 AM874 Dist.	\$0.00	\$0.75
2024-25	\$0	\$0
2025-26	(\$3,076,000)	\$3,353,000
2026-27	(\$3,946,000)	\$3,946,000

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2025-26 EXPENDITURES	2026-27 EXPENDITURES
	25-26	26-27		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				