

Revised per General File Amendments

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	\$65,087	(\$499,000)		(\$1,201,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$65,087	(\$499,000)		(\$1,201,000)

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

LB 647 was amended on General File by AM 1107, AM1202, and AM1203. AM1107 contains the modified provisions of LB 566. AM1202 and AM1203 are divisions of AM994. AM1202 contains provisions from several bills while AM1203 contains the modified provisions of LB 131. LB 647, as amended, is discussed below.

AM1107

Incorporates Provisions of LB 566 with Modifications

LB 566 amends section 77-2715.07(7)(a) to change the January 1, 2026 sunset date to January 1, 2032 for the nonrefundable income tax credit in the amount of \$5,000 allowed to any individual who purchases a residence during the taxable year if such residence:

- Is located within an area that has been declared an extremely blighted area under section 18-2102.02;
- Is the individual's primary residence; and
- Was not purchased from a family member of the individual or a family member of the individual's spouse.

The decrease to General Fund revenues from this aspect of the bill is displayed in the table at the end of this fiscal note.

AM1202

Incorporates Provisions of LB 628 with Modifications

LB 628 establishes the Recreational Trail Easement Property Tax Exemption Act.

The bill provides that a taxpayer who encumbers their property with a perpetual recreational trail easement is eligible for an annual property tax exemption equal to ten cents for each square foot of the property encumbered by the easement. If the exemption amount exceeds the taxpayer's property tax liability for the taxable year, the excess amount may not be carried forward to subsequent years.

The bill provides the qualifications for the property tax exemption.

Under the bill, the taxpayer shall submit an application on forms prescribed by the Tax Commissioner to the county assessor on or before December 31 of the year in which the exemption will begin.

The Department of Revenue (DOR) shall adopt and promulgate rules and regulations necessary to carry out the Act, and the bill specifies what rules and regulations the DOR shall include.

The bill amends section 76-214 so that the statement required under subsection (1) would include easements used to qualify for the property tax exemption provided by the Act.

This aspect of the amendment is operative on January 1, 2026.

Property tax exemptions, under this bill, would occur when property owners qualify and utilize easements and are estimated to decrease a political subdivision's property tax base. A change in the taxable base for schools due to the exemption of property could have an impact on state aid under TEEOSA, but any such amount is indeterminate.

Incorporates Provisions of LB 709

LB 709 establishes the Adoption Tax Credit Act.

Under the bill, for taxable years beginning on or after January 1, 2026, there shall be allowed a credit against the income tax imposed by the Nebraska Revenue Act of 1967 for any taxpayer that is eligible for the federal adoption expenses tax credit provided in 26 U.S.C. 23.

The credit shall be a refundable credit equal to 10% of the federal tax credit allowed to the taxpayer under 26 U.S.C. 23 in the same taxable year.

The DOR may adopt and promulgate rules and regulations to carry out the Act.

The decrease to General Fund revenues from this aspect of the bill is displayed in the table at the end of this fiscal note and the one-time programming charge connected to this aspect of the bill is discussed at the end of this fiscal note, as well.

Incorporates Provisions of LB 242 with Modifications

LB 242 amends the definition of allowable growth under section 13-518.

The bill amends the Property Tax Growth Limitation Act.

The definition of growth value and inflation percentage are changed.

Under the bill, the preliminary property tax request authority for each political subdivision shall be the amount of property taxes requested and approved by each political subdivision and included on the budget document filed with the auditor in the prior fiscal year pursuant to subsection (2) of section 13-506, less the sum of exceptions utilized in the prior year pursuant to subdivisions (1) to (7) of section 13-3404.

In addition to the preliminary property tax request authority, the political subdivision's property tax request authority may be increased by:

- The product of (i) the amount of property taxes levied in the prior year, less the sum of exceptions utilized in the prior year pursuant to subdivisions (1) and (2) of section 13-3404, and (ii) the political subdivision's growth percentage; and
- The product of (i) the amount of property taxes levied in the prior year, less the sum of exceptions utilized in the prior year pursuant to subdivisions (1) and (2) of section 13-3404, and (ii) the greater of zero or the inflation percentage.

Section 13-3405 is amended regarding elections for a political subdivision increasing its property tax request authority over the amount determined under section 13-3403. Under the bill, upon receipt of such recommendation or legal voter petition, the county clerk or election commissioner shall place such issue on the ballot at the next regularly scheduled election or a special election called for such purpose.

Section 13-3406 is amended to add that a political subdivision may choose to convert its accumulated amount of unused restricted funds authority existing on June 30, 2025, as determined in accordance with section 13-521, into unused property tax request authority. The amount converted may then be used by the political subdivision as unused property tax request authority for fiscal years beginning on or after July 1, 2025. The amount converted shall not exceed 5% of the total property taxes levied for the political subdivision in calendar year 2024.

The bill removes requirements for occupation taxes under section 18-1208 for cities of the metropolitan class, primary class, first class, second class, and villages. Section 18-1208 is also amended so that no later than 90 days after the end of the fiscal year, each municipality that imposes a new occupation tax or increases the rate of an existing occupation tax on or after the operative date of the section shall provide an annual report on the collection and use of such occupation tax.

The bill amends the Property Tax Request Act to remove the definition of excess value and to change the definition of real growth value.

The bill amends section 77-1701 regarding what is to be included on county tax statements.

The bill amends the School District Property Tax Relief Act.

Under the bill, to determine the amount of the property tax credit for each parcel, the county treasurer shall multiply the amount disbursed to the county under subsection (4) of section 77-7305 by the ratio of the school district taxes levied in the current year on the parcel to the school district taxes levied in the current year on all real property in the county. This is a change from prior year language under current law. The amount so determined shall be the property tax credit for the parcel.

The bill also amends the Act so that, after retaining 1% of the amount received by the county for costs, the county treasurer shall disburse the remaining funds.

The Lancaster County Treasurer and the Nebraska Association of County Officials (NACO) estimate additional revenue to counties from the 1% fee added under the bill regarding the property tax credit connected to school districts. NACO also estimates a decrease in costs for counties connected to programming as a result of the bill.

Incorporates Provisions of LB 401 with Modifications

LB 401 amends section 77-2776 to require Tax Commissioner notices regarding income tax to include a written statement containing the details of the facts, circumstances, and reasons the Tax Commissioner used to determine that the taxpayer did not report the correct amount of tax.

The bill amends the Pass-Through Entity Tax (PTET) election so that for tax years beginning on or after January 1, 2023, such election may be made on the applicable income tax return and shall be made on or before the due date for filing the applicable income tax return, including any extensions that have been granted. The bill requires that for tax returns filed for taxable years beginning on or after January 1, 2022, the PTET credit is allowed for the same taxable year for which the election is made, without regard to the year in which the tax is paid to Nebraska or deducted on a federal income tax return.

AM1203

Incorporates Provisions of LB 131 with Modifications

LB 131 provides that for the Nebraska education savings plans qualified higher education expenses are changed in name to qualified education expenses. The bill changes the definition of the mentioned term to include expenses for tuition in connection with enrollment or attendance at an elementary or secondary school with a limit of \$10,000 per beneficiary per taxable year beginning January 1, 2029.

The bill replaces the word College with Education for the College Savings Plan Program Fund, the College Savings Plan Expense Fund, and the College Savings Plan Administrative Fund.

The bill provides that all money in the DOR Miscellaneous Receipts Fund would only be used to defray the cost of production of the publications listed in section 77-3,109 or of the listings described in section 77-3,118 and to carry out any administrative responsibilities of the DOR.

This aspect of the bill becomes operative on October 1, 2025.

The decrease to General Fund revenues from this aspect of the bill is displayed in the table at the end of this fiscal note.

The DOR estimates the following General Fund revenue losses as a result of LB 647, as amended:

Fiscal Year	Nebraska Educational Savings Plan	Adoption Tax Credit	Extremely Blighted Tax Credit	Total General Fund Revenue Impact
<i>FY26</i>	\$ (499,000)	\$ -		\$ (499,000)
<i>FY27</i>	\$ (924,000)	\$ (233,000)	\$ (44,000)	\$ (1,201,000)
<i>FY28</i>	\$ (1,654,000)	\$ (240,000)	\$ (90,000)	\$ (1,984,000)
<i>FY29</i>	\$ (2,530,000)	\$ (247,000)	\$ (116,000)	\$ (2,893,000)
<i>FY30</i>	\$ (3,441,000)	\$ (255,000)	\$ (121,000)	\$ (3,817,000)
<i>FY31</i>	\$ (3,510,000)	\$ (262,000)	\$ (126,000)	\$ (3,898,000)

The DOR also estimates a one-time programming charge of \$65,087 to be paid to the Office of the Chief Information Officer (OCIO) as a result of LB 647, as amended.

There is no basis to disagree with these estimates by the DOR.

TECHNICAL NOTE: Section 68-1201(1) in the bill utilizes the term “qualified higher education expenses” when the term is changed to “qualified education expenses” in section 36 of AM994 in the bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 647	AM: 994	AGENCY/POLT. SUB: Nebraska Auditor of Public Accounts
REVIEWED BY: Ryan Yang	DATE: 4/21/2025	PHONE: (402) 471-4178
COMMENTS: The Nebraska Auditor of Public Accounts' assessment of no fiscal impact from LB 647, AM 994 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 647	AM: 994	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 647, AM 994.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 647	AM: 994	AGENCY/POLT. SUB: State Treasurer
REVIEWED BY: Ryan Yang	DATE: 4/22/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the State Treasurer assessment of no fiscal impact from LB 647, AM 994.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 647	AM: 994	AGENCY/POLT. SUB: ESUCC
REVIEWED BY: Ryan Yang	DATE: 4/23/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the ESUCC assessment of no fiscal impact from LB 647, AM 994.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 647	AM: 994	AGENCY/POLT. SUB: Douglas County Assessor/Register of Deeds
REVIEWED BY: Ryan Yang	DATE: 4/22/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Douglas County Assessor/Register of Deeds assessment of minimal fiscal impact from LB 647, AM 994.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 647	AM: 994	AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds
REVIEWED BY: Ryan Yang	DATE: 4/22/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Lancaster County Assessor/Register of Deeds assessment of minimal or no fiscal impact from LB 647, AM 994.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 647	AM: 994	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 positive fiscal impact from LB 647, AM 994.		

State Agency Estimate

State Agency Name: Department of Revenue			Date Due LFO:		
Approved by: James R. Kamm			Date Prepared: 05/01/2025		
			Phone: 471-5896		
	FY 2025-2026		FY 2026-2027		FY 2027-2028
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>
General Funds	\$65,087	\$ (499,000)		\$(1,201,000)	
Cash Funds					
Federal Funds					
Other Funds					
Total Funds	\$65,087	\$ (499,000)		\$(1,201,000)	\$(1,984,000)

Sections 1-6 of LB 647 AM 994 (divided into AM 1202 & 1203) and AM 1107 establishes the Recreational Trail Easement Property Tax Exemption Act, which would become operative January 1, 2025.

These sections provide that a taxpayer who encumbers their property with a recorded perpetual recreational trail easement is eligible for an annual property tax exemption equal to ten cents for each square foot of the property encumbered by the easement. If the exemption amount exceeds the taxpayer's property tax liability for the taxable year, the excess amount may not be carried forward to subsequent years.

These sections provide the qualifications for the property tax exemption. Under the bill, the taxpayer shall apply to the county assessor on forms prescribed by the Tax Commissioner. Within 30 days of receiving the application, the county assessor shall approve or deny the application.

The Department of Revenue (DOR) shall adopt and promulgate the rules and regulations necessary to carry out the Act, and the bill specifies what rules and regulations the DOR shall include.

Sections 7 to 9, 29. (LB 709) For tax years beginning on or after January 1, 2026, a state level refundable adoption tax credit is allowed to resident individuals. This credit would be 10% of the federal adoption tax credit amount, like the way the state earned income tax credit is figured.

Section 10: (LB 647) AM 994 amends Neb. Rev. Stat. § 13-518 by amending the definition of "allowable growth".

Sections 11-14 amend the Property Tax Growth Limitation Act.

Section 11: The definitions of the Property Tax Growth Limitation Act are amended to add the accumulated value of TIF projects to "growth value" and specify how "inflation percentage" should be calculated.

Section 12 amends Neb. Rev. Stat. § 13-3404 and clarifies the amount of property taxes needed to fund public safety services should be reflected regardless of whether it is an exception to the political subdivision's property tax request authority.

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.....					\$65,087		
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....					\$65,087		

A political subdivision can increase its property tax request authority by:

- the product of (a) the amount of property taxes levied in the prior year less the sum of exceptions used in the prior year less the sum of exceptions used in the prior year for the amount of property taxes budgeted for approved bonds and needed to respond to an emergency in the prior year and (b) the growth percentage of the political subdivision and
- the product of (a) the amount of property taxes levied in the prior year less the sum of exceptions used in the prior year less the sum of exceptions used in the prior year for the amount of property taxes budgeted for approved bonds and needed to respond to an emergency in the prior year and (b) the greater of zero or the inflation percentage.

Section 13 removes the date requirement for an election to vote to increase property tax request authority for a political subdivision.

Section 14 adds the ability to Neb. Rev. Stat. § 13-3405 for a political subdivision to convert its unused restricted funds as of June 30, 2025, into unused property tax request authority starting in fiscal years beginning July 1, 2025, with a limitation of converted authority not exceeding 5% of property taxes levied by the political subdivision in calendar year 2024.

Sections 15 – 19: For cities of the metropolitan, primary class, first, and second class, the bill removes requirements for imposing an occupation tax.

Section 20: AM 994 strikes the language from Neb. Rev. Stat. § 18-1208 allowing for a municipality to impose an occupation tax pursuant to a vote of the people and strikes provisions regarding increases in revenue for different classes of cities imposing an occupation tax.

Sections 21 to 22, 25, 30, 35 to 54. (LB 131) Amends the Nebraska Educational Savings Plan Trust. AM 994 provides the same changes as LB 131, except it postpones the amendments for elementary and secondary schools to begin on January 1, 2029. Beginning January 1, 2029, the following will provide:

- The definition of qualified education expenses will include the costs of tuition for enrollment or attendance at an elementary or secondary school, excluding amounts more than \$10,000 per beneficiary per taxable year.
- Nonqualified withdrawals will include a distribution from an account to pay the costs of attending kindergarten through grade 12 until January 1, 2029.
- Tuition will mean for purposes of an elementary or secondary school, the charges imposed for tuition in connection with enrollment or attendance at such elementary or secondary school.
- The State Treasurer will be able to enter into agreements with elementary or secondary schools for purposes on implementing this act.
- Money accrued in the Education Savings Plan Program Fund may be used for the benefit of beneficiary of elementary or secondary schools.

Section 23 amends Neb. Rev. Stat. § 76-214 so that the statement required under subsection (1) would include easements used to qualify for the property tax exemption provided by the Act.

Section 24 exempts a portion of property subject to the Recreational Trail Easement Property Tax Exemption Act.

Section 26: AM 994 amends Neb. Rev. Stat. § 77-1613 by adding the “the amount not reimbursed by the state” as an item the county assessor must reflect in their records.

Section 27: The definitions of the Property Tax Request Act are changed, especially the definition of real growth value where increases to personal property valuation and the accumulated excess valuation during TIF projects are added to the definition.

Section 28: AM 994 changes how a political subdivision’s property tax request authority is calculated by redefining preliminary property tax request authority as the amount of property taxes requested and approved by each political subdivision and reflected on the budget documents filed with the state auditor in the prior fiscal year minus the sum of exception in Neb. Rev. Stat. § 13-3404.

Section 29 amended by AM 1107 (LB 566 AM 800) changes the current expiration date of tax year 2026 to tax year 2032 for the nonrefundable credit for the purchase of a Nebraska residence in a designated extremely blighted area.

Sections 31 to 33 (LB 401, as amended by AM 284) The pass-through entity tax (PTET) election which is amended to:

- Allow the election to be made on the applicable income tax return.
- For tax years beginning on or after January 1, 2022, allows the PTET credit to be claimed for the same tax year for which the election is made, without regard to the year in which the tax is paid to Nebraska or deducted on a federal income tax return; and
- Changes “must” to “shall” in Neb. Rev. Stat. §§ 77-2727(6)(a), (d), and (h), and § 77-2734.01(8)(a), (d), and (h).

Notices of deficiency issued under Neb. Rev. Stat. § 77-2776 must include a written statement containing the details of the facts, circumstances, and reasons the Tax Commissioner used to determine the taxpayer did not report the correct amount of tax.

Section 34: AM 994 makes changes to the credits received under the School District Property Tax Relief act by changing how county treasurers determine the amount of property tax credits that are disbursed to each parcel by changing the ratio from being based on the school district taxes levied in the prior year to the school district taxes levied in the current year.

AM 994 adds a provision allowing one percent of the amount distributed to the county under the act to be retained by the county treasurer.

Sections 1-6 and 24-26 become operative on January 1, 2026. The other provisions are subject to an emergency clause.

It is estimated that LB 647 AM 994 AM 1107 will have the following impact on the General Fund revenues:

Fiscal Year	Nebraska Educational Savings Plan Trust	Adoption Tax Credit	Extremely Blighted Tax Credit.	Total General Fund Revenues
FY25-26	\$ (499,000)	\$ -	\$ -	\$ (499,000)
FY26-27	\$ (924,000)	\$ (233,000)	\$ (44,000)	\$ (1,201,000)
FY27-28	\$ (1,654,000)	\$ (240,000)	\$ (90,000)	\$ (1,984,000)
FY28-29	\$ (2,530,000)	\$ (247,000)	\$ (116,000)	\$ (2,893,000)
FY29-30	\$ (3,441,000)	\$ (255,000)	\$ (121,000)	\$ (3,817,000)
FY30-31	\$ (3,510,000)	\$ (262,000)	\$ (126,000)	\$ (3,898,000)

It is estimated that LB 647 AM 994 AM 1107 will require a one-time programming charge of \$65,087 paid to the OCIO for mainframe and web development.

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2025

LB⁽¹⁾ 647 AM 994

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Douglas County Assessor/Register of Deeds Office

Prepared by: ⁽³⁾ Michael Goodwillie Date Prepared: ⁽⁴⁾ 4/21/2025 Phone: ⁽⁵⁾ 402 444-6703

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	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate: LB 647, AM 994 revises previously offered LB 628 that would provide a small property tax exemption for square footage of property encumbered by a recreational trail easement. That easement would have to be recorded with the local register of deeds office and would be worth 10 cents per square foot of the property encumbered by the easement. In original LB 628 the application for exemption and the administrative work would have been done by the Nebraska Department of Revenue. In this revision, those duties (and potential administrative costs) have been shifted to the counties. Under the new version, the property owner would file an application with the local assessor that includes proof of the recorded easement and information on the entity holding the easement. To qualify, the holder must meet some requirements relating to conservation and recreational land use. Applications would have to be filed by December 31 of the year prior to the year for which the exemption is sought and the assessor would have to approve or deny the exemption.

LB 628 had a lot of unanswered process questions and this amendment does too. Perhaps the most significant is at what stage of the process that 10 cents per square foot actually is. Typically exemptions are written in terms of whether the property is taxable or not rather than in terms of some dollar amount. So, if the intent is to treat it like an exemption, then the assessor's office would have to make a calculation that looks like this: Value of the parcel – (square footage encumbered x ten cents) = taxable value. That taxable value would be multiplied by the applicable tax rate. Or is it the intent of the drafter to treat the exemption as a credit, applied during billing to the tax bill on the parcel. If it is the former, assuming there are not many of these easements, then this office can handle that calculation in house. If it is the latter, I suspect there would be a lot of programming time (and cost) for the Douglas Omaha Technology Commission, which has struggled with billing for LB 2 (reduced agricultural land value for recently passed school bonds only) and LB 34 (school district tax credit).

Another administrative issue is, what happens after the assessor reviews the application and approves or denies it. Normally, assessors make a recommendation on exemptions and the county board of equalization either approves or denies them. That process doesn't seem to be in play here. In other contexts, such as homestead exemption, if an assessor denies a homestead application, the applicant can appeal to the local county board of equalization. In the case of AM 994, there is no discussion of process beyond the assessor's approval or denial. The amendment provides for the Department of Revenue issuing rules and regulations for the program, but there isn't a lot of guidance here for them either.

Part of the difficulty here is estimating how many such easements actually will be in play in Douglas County. Generally, when people have easements, they aren't characterized as "recreational" when filed with the ROD. So, right now, we don't know if we have some of these in the county currently.

Because at this time, we don't believe there are a lot of these in Douglas County, we believe we can handle this at the assessor level with existing staff. That said, if there are implications for the billing process, that time and expense could be considerable and I would encourage someone to contact the Douglas Omaha Technology Commission.

As for the taxes represented by the exemption, given the size of the tax base in Douglas County, this does not appear to be a bill that would result in a significant tax loss to the county or its political subdivisions.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<i>2025-26</i>	<i>2026-27</i>
	<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: ⁽²⁾ Nebraska Department of Education

Prepared by: ⁽³⁾ Bryce Wilson

Date Prepared: ⁽⁴⁾ 4/18/25

Phone: ⁽⁵⁾ 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 647 AM 994 changes the property tax authority calculation for ESU's including how real growth is calculated. Impacts cannot be determined at this time.

No fiscal impact to NDE.

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⁽¹⁾ 647 AM 994

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dan Nolte

Date Prepared: ⁽⁴⁾ 4/21/25

Phone: ⁽⁵⁾ 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:

This bill and amendment appear to have only minimal or no 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.....				

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Treasurer

Prepared by: ⁽³⁾ Rachel Garver

Date Prepared: ⁽⁴⁾ April 18, 2025

Phone: ⁽⁵⁾ 402-441-7425

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$1,086,276		\$1,125,270
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$1,086,276		\$1,125,270

Explanation of Estimate:

The revenue is the one percent fees retained by the county treasurer from the disbursement amount of the school tax credits from the State.

It was calculated based on relief grant numbers from 2024. Amount allocated to Lancaster County: \$107,781,084 less the amount calculated to date to be returned to the State: \$3,331,475, netting in \$104,449,609. Which if Lancaster was allowed to retain a one percent fee it would be \$1,044,496. The calculation for 25-26 uses a four percent growth in the amount of relief granted less the approximate three percent returned to the State. The calculation for 26-27 was based a slightly less than a 3.6 percent growth in the relief granted.

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.....				

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2025

LB⁽¹⁾ 647, AM994

FISCAL NOTE

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

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

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	<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:

LB647, AM994 strikes the original provisions and inserts:

LB628 as amended by AM328 provisions - sections 1 to 6, 23, 24, 26 create the Recreational Trail Easement Property Tax Exemption Act and harmonize provisions. This would have a significant impact on property taxes collected. The exemption is ten cents per square foot of recreational trail. A thirty-foot wide trail that traversed a quarter section of ground would be at least 79,200 square feet of ground (2,640 linear feet times 30 feet of width), which would equal \$7,920 of property taxes exempted per quarter section. Under the terms of this bill, the tax exemption would be applied on a per parcel basis. Based on information from the City of Omaha, City of Lincoln, Nebraska Game and Parks Commission and Natural Resource Districts, there are well over 1,000 miles of recreational trails of city, state and federal systems in Nebraska. Those trails would be exempt; however, not all non-profit trails would necessarily be exempt and another 3,400 miles of trails would be crossing private property. If every half-mile of trail equals a \$7,920 exemption of property taxes collected, up to \$53,856,000 of tax would be removed from the property tax rolls after it had been levied against.

In addition to the amount of taxes being removed from the property tax rolls, most county treasurer systems do not account for a deduction from the parcel's property tax for an exemption, as most exemptions are on value; this would require some changes to current programming.

LB709 provisions - sections 7 to 9, 29 are the Adoption Tax Credit Act and harmonization provisions. No fiscal impact.

LB242 as amended by AM890 provisions - sections 10 to 20, 27, 28, 34 would incorporate provisions of LB242 and modify provisions within the Property Tax Growth Limitation Act. A county would be authorized to choose to convert its accumulated amount of unused restricted funds existing on 6/30/2025 into unused property tax request authority. Such amount shall not exceed five % of the total property taxes levied by the county in the calendar year 2024. Counties would retain one % of the total property taxes levied and then disburse the remaining amount. This would represent \$7.5 million in commissions for counties statewide that would go to the county general fund. Changing the distribution of credits to taxes levied on parcels in the current year instead of the prior year will result in not having to program and sort from the prior year's tax cycle. In 2024, such programming could have cost counties \$18,000 statewide.

LB131 as amended in LB994 provisions – sections 21, 22, 25, 30, and 36 to 53 relate to the educational savings plan and harmonization of language. It would expand the current educational savings plan trust to be available to all eligible institutions, to include elementary and secondary schools, as well as postsecondary institutions. No fiscal impact.

LB401 as amended by AM284 provisions – sections 31 to 33 relate to income taxes. These provisions make changes to notice requirements. No fiscal impact.

<u>BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE</u>				
<u>Personal Services:</u>				
<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: ⁽²⁾ Nebraska Auditor of Public Accounts

Prepared by: ⁽³⁾ Craig Kubicek

Date Prepared: ⁽⁴⁾ 4/18/2025

Phone: ⁽⁵⁾ 402-326-3063

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$0		\$0	
CASH FUNDS	\$0		\$0	
FEDERAL FUNDS	\$0		\$0	
OTHER FUNDS	\$0		\$0	
TOTAL FUNDS	\$0		\$0	

Explanation of Estimate:

This would require staff time to monitor; however, we would plan to cover under current staffing levels.

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: ⁽²⁾ ESUCC

Prepared by: ⁽³⁾ _____ Date Prepared: ⁽⁴⁾ _____ Phone: ⁽⁵⁾ _____

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:

No Fiscal Impact

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: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters

Date Prepared: ⁽⁴⁾ April 18, 2025

Phone: ⁽⁵⁾ 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 647, AM 994 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.....				