

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 | (\$367,420) | \$7,812,000 | (\$371,250) | \$41,686,000 |
| CASH FUNDS | | (\$69,000) | | \$464,000 |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | (\$367,420) | \$7,743,000 | (\$371,250) | \$42,150,000 |

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

LB 650 was amended by AM923, AM981, and AM1020 on General File. AM923 is a white-copy amendment and contains the modified provisions of LB 650 and incorporates provisions from several other bills. AM981 and AM1020 further modify provisions of LB 650 via amending AM923. The details of LB 650, as amended, are discussed below.

Incorporates Provisions of LB 458 with Modifications

The bill establishes the Community Development Assistance Act.

Any community betterment organization which provides community assistance or community services in a community development area may apply any time during the fiscal year to the Department of Economic Development (DED) to have one or more programs certified for tax credit status under the Act.

For all business firms and individuals eligible for the credit under the Act, except for insurance companies paying premium and related retaliatory taxes in this state pursuant to section 44-150 or 77-908, the Tax Commissioner shall provide for the manner which the credit shall be taken and the forms on which such credit shall be allowed. The Tax Commissioner shall adopt and promulgate rules and regulations for the method of providing tax credits. The Director of Insurance shall provide for the manner in which the credit under the Act to insurance companies paying premium and related retaliatory taxes in this state pursuant to sections 44-150 and 77-908 shall be taken and the forms on which such credit shall be allowed. The Director of Insurance may adopt and promulgate rules and regulations for the method of providing the tax credit. The Tax Commissioner shall allow against any income tax due from the insurance companies paying premium and related retaliatory taxes in this state pursuant to section 44-150 or 77-908 a credit and allowed by the Director of Insurance.

Any business firm or individual which plans to or which has contributed to a certified program of a community betterment organization may apply to the DED for authorization for a tax credit for the contribution to the certified program in an amount up to but not exceeding the maximum tax credit allowed by the DED. The maximum tax credit allowed by the DED for each approved business firm or individual shall be in an amount which does not exceed 40% of the total amount contributed by the business firm or individual during its taxable year to any programs certified. The Director of Economic Development shall send a copy of the approved application which includes the amount of the tax credit to be allowed and a certification by the DED that the contribution has been paid as proposed by the business firm or individual to the Tax Commissioner who shall grant a tax credit against any tax due under sections 77-2715, 77-2734.02, and 77-3801 to 77-3807 and to the Director of Insurance who shall grant a tax credit against any premium and related retaliatory taxes due under sections 44-150 and 77-908.

No tax credit shall be granted to any business firm or individual in this state pursuant to the Act for activities that are a part of its normal course of business. Any tax credit balance may be carried over and applied against the business firm's or individuals tax liability for the next five years immediately succeeding the tax year in which the credit was first allowed.

The total amount of tax credit granted for programs approved and certified under the Act by the DED for any fiscal year shall not exceed \$350,000.

The bill makes various changes to how counties can sell properties due to unpaid property taxes:

- It adjusts timeframes for a land bank to acquire a property.
- It increases the fee the treasurer charges to advertise delinquent property from \$5 to \$20.
- It sets intent to examine the fee every 5 years.
- It allows the county treasurer to designate someone to facilitate the sale of a delinquent property.
- It changes specific requirements for the purchase certificate provided to the new owner.
- It changes an administrative fee from \$100 to \$150.
- It changes a fee for issuing a certificate from \$20 to \$25.
- It removes a \$2 fee for a memorandum of redemption receipt.
- It removes a \$1 fee for a service of notice.
- It changes a fee for publication from \$5 to \$20.
- It outlines timeframes for how a purchaser of vacant or abandoned real estate may apply for a tax deed.
- It outlines when real estate may be considered vacant or abandoned.

The fiscal impact connected to the Community Development Assistance Act can be seen via the table at the end of this fiscal note reflecting revenue impacts as a result of the bill, as amended. The Lancaster County Treasurer estimates more revenue than expenses over the next 2 years in relation to the provisions connected to LB 458.

Incorporates Provisions of LB 547

The bill amends current definitions of a disabled veteran and a blind veteran as found in section 77-202.23, to align with the more expansive federal definition found in 5 U.S.C. 2108, as the section existed on January 1, 2025. Thus, a disabled veteran would mean:

- 1) An individual who has served on active duty in the armed forces, been separated therefrom under honorable conditions, and has established the present existence of a service-connected disability; or
- 2) An individual who is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Department of Veterans Affairs or a military department.

Additionally, this bill defines a blind veteran as a veteran whose sight is defective to the point that it seriously limits the veteran's ability to engage in the ordinary vocations and activities of life. With the broader definition of both a disabled veteran and a blind veteran, more veterans would qualify as exempt from motor vehicle tax for one personal vehicle (owned and used by the veteran) under section 60-3,185. Finally, the bill qualifies more disabled veterans and blind veterans as exempt from mobile home taxation under section 77-202.24.

The operative date for these provisions connected to LB 547 is January 1, 2026.

Revenues: The Nebraska Department of Motor Vehicles (DMV) is estimating a revenue loss to their agency in FY25-26 of \$180,000 and a revenue loss of \$180,000 in FY26-27. This loss impacts the DMV's Vehicle Title and Registration System Replacement and Maintenance Cash Fund, which receives 1% of the motor vehicle tax collected. The DMV has estimated the total reduction in motor vehicle tax to be \$18 million, which is allocated to the DMV and local governments. The revenue loss would be a result of an increase in the number of disabled veterans and blind veterans eligible for a motor vehicle tax exemption. The DMV approximates 40,000 of the 43,465 veterans (as estimated by the U.S. Dept. of Veterans Affairs) would utilize the motor vehicle tax exemption. The average motor vehicle tax savings per veteran is estimated to be \$450. While the full revenue loss in the second year of the biennium is reasonable, FY25-26 should be a partial loss of the year's revenue due to the operative date being January 1, 2026.

We estimate the impact of the revenue loss to the DMV and local governments (based on section 60,3-186) in the table below:

| LFO's Estimated MV Tax Revenue Losses | FY2025-26 (6 months / approx. 60% of the yearly revenue) | FY2026-27 (full 12 months of the yearly revenue) |
|---|---|---|
| DMV Vehicle Title Registration Modernization Fund (1%) | \$ (108,000) | \$ (180,000) |
| Motor Vehicle Tax - Commission to County (1%) | \$ (108,000) | \$ (180,000) |
| Motor Vehicle Tax - Cities and Counties (40% of remainder) | \$ (4,233,600) | \$ (7,056,000) |
| Motor Vehicle Tax - Schools (60% of remainder) | \$ (6,350,400) | \$ (10,584,000) |
| MV Tax Total Impact from proposed changes | \$ (10,800,000) | \$ (18,000,000) |

The 40% allocated to Cities and Counties is distributed according to the tax district in which the motor vehicle has situs, as follows:

- 1) All 40% to the county, when the tax district is not in a city or village;
- 2) 22% to the county and 18% to a city or village; and
- 3) If the county contains a city of the metropolitan class, then 18% to the county, and 22% to the city or village.

In the LFO table above, the first six months of the calendar year 2026 (the last half of FY25-26) is being shown as 60% of the total net revenue loss in one year. This is because the operative date is January 1, 2026 and the monthly taxes collected in January, February,

and March are generally higher than in other months. Thus, the amounts shown are 60% of a full calendar year, rather than 50%. Then, in FY26-27 the full effect of an entire year of revenue loss is shown.

The reduction shown for motor vehicle taxes going to school districts, lowers their incoming revenue, and thus causes more Tax Equity and Educational Opportunities Support Act (TEEOSA) formula funding to be needed for equalized schools. This is due to the fact that section 60.3-186 requires the proceeds from motor vehicle taxes be treated as property tax revenue, which is considered as "other receipts" in the TEEOSA formula. The actual impact amounts to the state for this drop in motor vehicle tax going to schools cannot be determined at this time. However, a reduction in the incoming tax revenue for schools of \$6,350,400 in FY25-26 and a reduction of \$10,584,000 in FY26-27 would create an increase in General Funds needed from the state for TEEOSA calculations beginning in FY27-28. Additionally, more disabled veterans and blind veterans qualifying for a mobile home property tax exemption, would correspond with a reduction in the property taxes levied in some political subdivisions. This revenue loss to the political subdivisions is indeterminate at this time. 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 495

The bill amends the Property Tax Request Act.

The bill removes community colleges from the political subdivisions which have requirements under section 77-1633 if the political subdivision seeks to increase its property tax request by more than the allowable growth percentage.

Community colleges could see reduced expenditures as a result of no longer paying for postcard costs.

Incorporates Provisions of LB 270

LB 270 amends subdivision (14) of section 77-2711 to add subdivision (c) to provide that if upon review of the specified tax documents the individual certified by a municipality identifies a suspected irregularity or discrepancy, such individual may provide notification of the suspected irregularity or discrepancy to the Auditor of Public Accounts who may conduct an audit as provided in subsection (11) of the section.

Incorporates Provisions of LB 494

The bill amends section 77-4602.

Subdivisions (3)(a)(i) and (3)(a)(ii) are amended to provide that within 15 days after the end of each fiscal year, the Tax Commissioner shall determine:

- i. Actual General Fund net receipts for the most recently completed fiscal year minus estimated General Fund net receipts for such fiscal year as certified pursuant to sections 77-4601 and 77-4603; and
- ii. Actual General Fund net receipts for the most recently completed fiscal year minus 103% of actual General Fund net receipts for the prior fiscal year.

If the amount calculated in subdivision (3)(a)(i) is a positive number and the amount calculated in subdivision (3)(a)(ii) is a negative number, the Tax Commissioner shall certify the amount calculated in subdivision (3)(a)(i) to the State Treasurer. The State Treasurer shall transfer such certified amount to the Cash Reserve Fund.

If the amounts calculated in subdivisions (3)(a)(i) and (3)(a)(ii) are both positive numbers and the amount calculated in subdivision (3)(a)(i) exceeds the amount calculated in subdivision (3)(a)(ii), the Tax Commissioner shall certify the amounts calculated in subdivisions (3)(a)(i) and (3)(a)(ii) to the State Treasurer. The State Treasurer shall transfer the difference between the two certified numbers to the Cash Reserve Fund. The State Treasurer shall transfer the amount certified for subdivision (3)(a)(ii) to the School District Property Tax Relief Credit Fund.

If the amounts calculated in subdivisions (3)(a)(i) and (3)(a)(ii) are both positive numbers and the amount calculated in subdivision (3)(a)(i) is less than the amount calculated in subdivision (3)(a)(ii), the Tax Commissioner shall certify the amount calculated in subdivision (3)(a)(i) to the State Treasurer. The State Treasurer shall transfer such certified amount to the School District Property Tax Relief Credit Fund.

The bill also amends the School District Property Tax Relief Act.

The bill provides under section 77-7304 of the Act that beginning in FY26, it is the intent of the Legislature that an amount sufficient to provide the amount of property tax relief required under subdivision (1)(a) of section 77-7305 for each tax year be transferred from the General Fund to the School District Property Tax Relief Credit Fund.

The bill amends section 77-7305 of the Act to provide that the total amount of relief granted under the Act for each tax year is changed to the minimum amount of relief under subdivision (1)(a). For tax year 2030 and each tax year thereafter, language is also added so that the minimum amount of relief granted under the Act shall be the minimum amount of relief from the prior year, excluding any additional relief provided pursuant to subdivision (1)(b) of the section, with such amount then increased by 3%. Subdivision (1)(b) is added to provide that if money is transferred to the School District Property Tax Relief Credit Fund pursuant to section 77-4602, such

amount shall be added to the minimum amount required under subdivision (1)(a) of the section when determining the total amount of relief granted under the Act for the tax year in which the transfer occurs. If no such transfer occurs in a given tax year, the minimum amount required under subdivision (1)(a) of the section shall be the total amount of relief granted under the Act for such tax year.

Current forecasted receipts for FY25 are \$100 million more than certified amounts. Under current law, this \$100 million is to be credited to the Cash Reserve Fund. Under this bill, this \$100 million is also to be credited to the Cash Reserve Fund, because actual General Fund revenue is not estimated to exceed 103% of total actual net receipts for FY23-24.

Incorporates Provisions of LB 650 with Modifications

The bill amends a sales and use tax exemption regarding towers so that the exemption is regarding the lease or use of towers or other structures and equipment, including antennas and studio transmitter link systems, used in conjunction with the furnishing of over-the-air radio and television broadcasting via radio and television broadcast stations licensed by the Federal Communications Commission. Studio transmitter link system means a radiofrequency apparatus which serves as a conduit to deliver station programming content from its origin in a studio to a broadcast transmitter and antenna, under the bill, starting January 1, 2026.

The bill provides that collectors of the sales and use tax shall deduct and withhold from the amount of taxes collected 2.5% of the first \$3,000, a change from 3% of the first \$5,000 starting January 1, 2026.

The bill eliminates the income tax credit for food donations starting tax year 2026.

The bill amends the Nebraska Advantage Rural Development Act. Under the bill, the maximum amount for credits under subsection (1) of section 77-27,188 of the Act for calendar year 2026 and each calendar year after is \$1 million. The maximum amount for credits under subsection (2) of section 77-27,188 of the Act for calendar year 2026 and each calendar year after is \$1 million. Section 77-27,188 (2) is amended to provide a refundable credit for taxpayers who invest at least \$50,000 for livestock modernization or expansion for applications filed on or after January 1, 2026. Section 77-27,188(3) is amended to provide that for applications filed on or after January 1, 2026, the amount of the credit allowed under subsection (2) shall be 10% of the investment, not to exceed a credit of \$150,000 per application.

The bill amends the annual limit for tax credits under section 77-3110 of the Relocation Incentive Act to provide that the Department of Revenue (DOR) may approve tax credits under the Act each year until the total amount of credits approved for the year reaches the annual limit. The annual limit shall be \$5 million for calendar year 2025 and \$1 million for calendar year 2026 and each calendar year after.

The bill eliminates tax credits under the Creating High Impact Economic Futures (CHIEF) Act starting calendar year 2026, except that any tax credits allowed in calendar year 2025 that are unused may be carried forward as provided in subsection (6) of section 77-3119.

The bill amends the Cast and Crew Nebraska Act tax credits to provide that the total amount of tax credits allowed in any fiscal year under the Act shall not exceed \$500,000. The maximum allowable tax credit claimed under the Act in any single taxable year for any qualified production activity that is a full-length film, made-for-television movie, television series of at least five episodes, or streaming television series shall not exceed \$500,000.

The bill amends Nebraska Shortline Rail Modernization Act tax credits to provide that the total amount of tax credits allowed in a fiscal year under the Act shall not exceed \$500,000.

The bill amends the Reverse Osmosis System Tax Credit Act tax credits starting tax year 2026. Under the bill, the DOR may approve tax credits for each fiscal year until the total amount of credits approved reaches \$250,000 for FY25 and FY26, \$500,000 for FY 27 and FY28, and \$1 million for any fiscal year after.

The bill amends the Renewable Chemical Production Tax Credit Act tax credits. Under the Act, the Director of Economic Development may approve program certification applications for eligible business for a total of up to \$6 million in tax credits for calendar years 2024 and 2025. The Director shall not approve any program certification applications for eligible businesses for calendar years 2026 through 2029. For calendar year 2030 and each calendar year after, the Director may approve program certification applications for eligible business for a total of up to \$6 million in tax credits per calendar year.

The bill amends the Nebraska Biodiesel Tax Credit Act to provide that up to \$1 million in tax credits in FY25 and each fiscal year after may be approved.

The bill provides regarding the Urban Redevelopment Act that there shall be no new applications for incentives filed after the operative date. These provisions are subject to the emergency clause.

The bill amends section 77-2706.02 connected to the sales and use tax exemptions connected to purchasing agents and buyer-based exemptions set to begin July 1, 2026. For purposes of the section, client means a nonprofit entity.

The DOR estimates the following increase to the General Fund and Cash Funds:

| | General Fund revenues | Highway Trust Fund | Highway Allocation Fund |
|------------|--------------------------|-----------------------|----------------------------|
| FY 2025-26 | \$ 7,812,000 | \$ 39,000 | \$ 7,000 |
| FY 2026-27 | \$ 41,686,000 | \$ 644,000 | \$ 114,000 |
| FY 2027-28 | \$ 49,414,000 | \$ 712,000 | \$ 126,000 |
| FY 2028-29 | \$ 46,891,000 | \$ 733,000 | \$ 129,000 |

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.

The DOR also provided a breakdown of the General Fund impact for each item under the bill. This breakdown is seen in the table below.

| | FY26 | FY27 | FY28 | FY29 |
|--|---------------------|----------------------|----------------------|----------------------|
| Towers | \$ 1,195,000 | \$ 3,011,000 | \$ 3,161,000 | \$ 3,320,000 |
| Collection Fee | \$ 3,367,000 | \$ 8,323,000 | \$ 8,573,000 | \$ 8,830,000 |
| Food Donation Tax Credit | \$ - | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Nebraska Advantage Rural Development Act | \$ - | \$ 4,800,000 | \$ 8,000,000 | \$ 5,200,000 |
| Relocation Incentive Act | \$ - | \$ 4,000,000 | \$ 4,000,000 | \$ 4,000,000 |
| CHIEF Act | \$ - | \$ 900,000 | \$ 3,000,000 | \$ 3,000,000 |
| Cast and Crew Nebraska Act | \$ - | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Nebraska Shortline Rail Modernization | \$ - | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Reverse Osmosis System Tax Credit Act | \$ 250,000 | \$ - | \$ 500,000 | \$ - |
| Renewable Chemical Production Tax Credit Act | \$ 2,500,000 | \$ 6,000,000 | \$ 6,000,000 | \$ 6,000,000 |
| Nebraska Biodiesel Tax Credit Act | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Urban Redevelopment Act | \$ - | \$ 101,000 | \$ 103,000 | \$ 105,000 |
| Buyer-Based Exemption | \$ - | \$ 12,902,000 | \$ 14,426,000 | \$ 14,787,000 |
| Community Development Assistance Act | \$ - | \$ (350,000) | \$ (350,000) | \$ (350,000) |
| Total | \$ 7,812,000 | \$ 41,687,000 | \$ 49,413,000 | \$ 46,892,000 |

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

The DOR estimates minimal costs to implement the bill. The DOR is estimated to have additional IT costs as a result of the bill with reductions to personnel that could offset these additional costs. Adjustments, if any, needed to cover costs connected to this bill could be done during the mid-biennium budget process.

The DED estimates a reduction of 3.0 FTE in FY26 and FY27 with additional reductions in future years. There is no basis to disagree with these estimates.

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | | |
|---|--------------------|---------------------------------|-----------------------|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB: Supreme Court | |
| REVIEWED BY: Ryan Yang | | DATE: 4/14/2025 | PHONE: (402) 471-4178 |
| COMMENTS: Concur with the Supreme Court's assessment of minimal fiscal impact from LB 650, AM 923, 981, and 1020. | | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|--|--------------------|-----------------------------------|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB: State Treasurer |
| REVIEWED BY: Ryan Yang | DATE: 4/16/2025 | PHONE: (402) 471-4178 |
| COMMENTS: Concur with the State Treasurer assessment of no fiscal impact to the agency from LB 650, AM 923, 981, and 1020. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|--|--------------------|---|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB: Nebraska Auditor of Public Accounts |
| REVIEWED BY: Ryan Yang | DATE: 4/14/2025 | PHONE: (402) 471-4178 |
| COMMENTS: Concur with the Nebraska Auditor of Public Accounts assessment of no fiscal impact from LB 650, AM 923, AM 981, and AM 1020. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|---|--------------------|--|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB Department of Revenue |
| REVIEWED BY: Ryan Yang | DATE: 4/16/2025 | PHONE: (402) 471-4178 |
| COMMENTS: Concur with the Department of Revenue assessment of fiscal impact from LB 650, AM 923, 981, and 1020. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|--|--------------------|--|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB Department of Insurance |
| REVIEWED BY: Ryan Yang | DATE: 4/15/2025 | PHONE: (402) 471-4178 |
| COMMENTS: The Department of Insurance assessment of indeterminate fiscal impact from LB 650, AM 923, 981, and 1020 appears reasonable. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|--|--------------------|---|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB Department of Motor Vehicles (DMV) |
| REVIEWED BY: Ryan Yang | DATE: 4/15/2025 | PHONE: (402) 471-4178 |
| COMMENTS: The DMV assessment of cash fund revenue reduction from LB 650, AM 923, 981, and 1020 appears reasonable. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|---|--------------------|---|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB Department of Economic Development |
| REVIEWED BY: Ryan Yang | DATE: 4/14/2025 | PHONE: (402) 471-4178 |
| COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 650, AM 923, 981, and 1020 appears reasonable. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|---|--------------------|--|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB: Metropolitan Community College |
| REVIEWED BY: Ryan Yang | DATE: 4/14/2025 | PHONE: (402) 471-4178 |
| COMMENTS: No basis to disagree with the Metropolitan Community College assessment of no fiscal impact from LB 650, AM 923, AM 981, and AM 1020. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|--|--------------------|---|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO) |
| REVIEWED BY: Ryan Yang | DATE: 4/16/2025 | PHONE: (402) 471-4178 |
| COMMENTS: No basis to disagree with the NACO assessment of fiscal impact from LB 650, AM 923, 981, and 1020. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|--|--------------------|---|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB: Lancaster County Assessor/Register of Deeds |
| REVIEWED BY: Ryan Yang | DATE: 4/14/2025 | PHONE: (402) 471-4178 |
| COMMENTS: No basis to disagree with the Lancaster County Assessor/Register of Deeds assessment of no fiscal impact from LB 650, AM 923, 981, and 1020. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|---|--------------------|--|
| LB: 650 | AM: 923, 981, 1020 | AGENCY/POLT. SUB: Lancaster County Clerk |
| REVIEWED BY: Ryan Yang | DATE: 4/16/2025 | PHONE: (402) 471-4178 |
| COMMENTS: No basis to disagree with the Lancaster County assessment of no fiscal impact from LB 650, AM 923, 981, and 1020. | | |

| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
|--|-----------------|--|
| LB: 650 | AM: 923 | AGENCY/POLT. SUB: Lancaster County Treasurer |
| REVIEWED BY: Ryan Yang | DATE: 4/14/2025 | PHONE: (402) 471-4178 |
| COMMENTS: No basis to disagree with the Lancaster County Treasurer's assessment of fiscal impact from LB 650, AM 923, AM 981, and AM 1020. | | |

LB⁽¹⁾ 650 AM 923 AM 981 & AM 1020

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Insurance

Prepared by: ⁽³⁾ Jordan Blades

Date Prepared: ⁽⁴⁾ 4/10/25

Phone: ⁽⁵⁾ 402-471-4638

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 | | Indeterminate | | Indeterminate |

Explanation of Estimate:

LB 650 as amended by AM 923 amends provisions of the Creating High Impact Economic Futures (CHIEF) Act, formerly known as the Community Development Assistance Act. The credits provided under the act are available to insurers to be applied towards premium taxes due. The impact on premium tax revenue collected by the Department resulting from LB 650 as amended by AM 923 would likely be minimal since insurers have rarely used this tax credit in the past. However, we are unable to estimate the exact impact on revenue.

We do not anticipate any fiscal impact resulting from AM's 981 and 1020.

| 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..... | | | | |

Phone: 471-5896

| <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..... | | | | | | | |
| Total..... | | | | | | | |

Section 38-39 of AM 923 amends sections 77-2703(l)(2)(d) and 2708(1)(d) to adjust the amount of use tax withheld by collectors of the tax to reimburse the costs of collecting from three percent of the first five thousand dollars to two and one-half percent of the first three thousand dollars. The adjustment is effective beginning January 1, 2026.

Section 40 (LB 270) amends section 77-2711 to allow municipality certified representatives to the Department of Revenue to disclose to the Auditor of Public Accounts any irregularities or discrepancies they find on their review of local option sales and use tax records. The APA may then conduct an audit.

Section 43-44 of AM 923 amends section 77-27,187.02 to change the Nebraska Advantage Rural Development Act tax credit caps. For calendar years 2026 and each calendar year thereafter, the new cap is one million dollars for qualified applicants down from the \$10 million cap for 2025, restoring the previous \$1M cap.

Section 44 amends section 77-27,188 to change the Nebraska Advantage Rural Development Act criteria for applicants to qualify for tax credits and to place a cap on allowed tax credits per applicant. Beginning on January 1, 2026, applicants must spend at least fifty thousand dollars for livestock modernization or expansion to qualify for the tax credits. Also, a cap of ten percent of the investment, up to one hundred fifty thousand dollars, per applicant is applied.

Section 45 amends section 77-27,241 to eliminates the food donation income tax credit for tax years on or after January 1, 2026.

Section 46 amends section 7-3110 to limit the Relocation incentive act credit to \$1 million (from \$5 million currently), starting in 2026.

Section 47 amends section 77-3120 to limit the available tax credits under the Creating High Impact Economic Futures Act to calendar year 2025, except for non-refundable tax credits that were allowed in 2025 may be claimed in following years until exhausted.

Section 48 of AM 923 amended by AM 981 lowers the credit for the Cast and Crew Nebraska Act to \$500,000 per fiscal year.

Section 49 of AM 923 amended by AM 981 amends section 77-3136 to lower the credit available for the Nebraska Shortline Rail Modernization Act to \$500,000 from \$1 million.

Section 50 of AM 923 amends section 77-3169 to change the annual tax credit limits for tax credits available under the Reverse Osmosis System Tax Credit Act to two hundred and fifty thousand in FYs 24-25 & 25-26, five hundred thousand for FY 26-27 & 27-28, and one million thereafter.

Section 52, 56-57 of AM 923 amends Neb. Rev. Stat. § 77-4602 to change provisions relating to the calculation and transfer of any General Fund net receipts in excess of one hundred and three percent of the prior year's receipt to the School District Property Tax Relief Credit Fund; to restate and eliminate legislative intent language in § 77-7304 regarding transfers to the School District Property Tax Relief Credit Fund; and amends § 77-7305 to provide for the form of property tax relief and that credits granted shall be credited against taxes owed to school districts, and replaces total credit amounts in specific years with those amounts being a minimum amount to be paid out in a specific year. The bill has the emergency clause.

Section 53 of AM 923 amends section 77-6605 to provide for a pause of approval for program certification applications, after calendar year 2025 to calendar year 2029 under the Renewable Chemical Production Tax Credit Act (RCPTC Act). The RCPTC Act starts back up in in calendar year 2030.

Section 54 amends section 77-6919 to end acceptance of applications under the Urban Redevelopment Act after this bill is passed and approved.

Section 55 amends section 77-7012 to eliminate the tax credit increase for fiscal years after fiscal year 2024-25 under the Nebraska Biodiesel Tax Credit Act. The tax credit allowed will be up to one million dollars each fiscal year.

Section 58 adds CDAA Act to 81-1201.12.

It is estimated that LB 650 as amended by AM 923, AM 981, and AM 1020 will have the following fiscal impact to the General Fund revenues:

| | General Fund revenues | Highway Trust Fund | Highway Allocation Fund |
|------------|--------------------------|-----------------------|----------------------------|
| FY 2025-26 | \$ 7,812,000 | \$ 39,000 | \$ 7,000 |
| FY 2026-27 | \$ 41,686,000 | \$ 644,000 | \$ 114,000 |
| FY 2027-28 | \$ 49,414,000 | \$ 712,000 | \$ 126,000 |
| FY 2028-29 | \$ 46,891,000 | \$ 733,000 | \$ 129,000 |

It is estimate that there will be minimal cost for the Department of Revenue to implement LB 650 as amended.

| LB 650 - Components - General Fund revenues | | | | |
|---|--------------|---------------|---------------|---------------|
| | FY2025-26 | FY2026-27 | FY2027-28 | FY2028-29 |
| Sec. 37 - Towers | \$ 1,195,000 | \$ 3,011,000 | \$ 3,161,000 | \$ 3,320,000 |
| Sec. 38-39 - Collection Fee | \$ 3,367,000 | \$ 8,323,000 | \$ 8,573,000 | \$ 8,830,000 |
| Sec. 45 Food Donation | \$ - | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Sec. 43-44 Nebraska Advantage Rural Development Act | \$ - | \$ 4,800,000 | \$ 8,000,000 | \$ 5,200,000 |
| Sec. 46 Relocation Incentives | \$ - | \$ 4,000,000 | \$ 4,000,000 | \$ 4,000,000 |
| Sec. 47 CHIEF | \$ - | \$ 900,000 | \$ 3,000,000 | \$ 3,000,000 |
| Cast and Crew Nebraska Act | \$ - | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Sec. 49 Nebraska Shortline Rail Modernization Act | \$ - | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Sec. 50 Reverse Osmosis System Tax Credit Act | \$ 250,000 | \$ - | \$ 500,000 | \$ - |
| Sec. 53 Renewable Chemical Production | \$ 2,500,000 | \$ 6,000,000 | \$ 6,000,000 | \$ 6,000,000 |
| Sec. 55 Nebraska Biodiesel Tax Credit Act | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Sec. 54 Urban Redevelopment Act | \$ - | \$ 101,000 | \$ 103,000 | \$ 105,000 |
| Sec. 38 Buyer Based Exemption | \$ - | \$ 12,902,000 | \$ 14,426,000 | \$ 14,787,000 |
| Sec 1-8 Community Development Assistance Act | \$ - | \$ (350,000) | \$ (350,000) | \$ (350,000) |
| Total | \$ 7,812,000 | \$ 41,687,000 | \$ 49,413,000 | \$ 46,892,000 |

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Auditor of Public Accounts

Prepared by: ⁽³⁾ Craig Kubicek

Date Prepared: ⁽⁴⁾ 4/14/2025

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:

If passed, we would handle such changes within our current resources until the APA has had chance to determine the full 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..... | | | | |

LB⁽¹⁾ 650 AM 923 AM 981 AM 1020

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dan Nolte

Date Prepared: ⁽⁴⁾ 4/14/24

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:
The proposed legislation does 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..... | | | | |

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

Prepared by: ⁽³⁾ Dennis Meyer

Date Prepared: ⁽⁴⁾ 4/14/2025

Phone: ⁽⁵⁾ 402-441-6869

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:

AM923: The school district property tax relief credits may result in a reduction in Treasurer commission revenue due to a lower amount collected. The more school tax that is offset by the state credit, the less commissionable revenue is collected by the Treasurer's Office.

AM981: No known fiscal impact.

AM1020: No known 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..... | | | | |

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

2025

LB⁽¹⁾ 650, AM923 AM 981 AM 1020

FISCAL NOTE

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

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 4/ 10/2025 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 | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | _____ | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | ===== |

Explanation of Estimate:

LB650, AM923 would strike the original sections and become the bill by incorporating a number of issues, including:

Sections 1-8 create the Community Development Assistance Act.

Section 9 relates to land banks, tax deeds and foreclosures.

Sections 10, 11 and 12 of AM923 would change the definition of “disabled veteran” for the purpose of receiving an exemption from the motor vehicle tax to mirror the definition found in the current U.S. Code. The number of individuals eligible under the proposed definition of disabled veterans under LB547 would be increased by approximately 43,500 veterans in Nebraska based on information from the U.S. Dept. of Veterans Affairs. Of the 43,500 veterans, it is estimated that only 40,000 would make use of this exemption. Information from the Department of Motor Vehicles (DMV) indicates that the average exemption is for \$450 of tax; when multiplied times 40,000 veterans, this would be \$18,000,000 of total revenue lost.

Currently, one percent of the total amount collected is retained by the county for costs incurred (in the manner of a commission). An additional one percent of the total is retained by the DMV. With total losses of taxes and collections of \$10,654,000 in the last six months of FY2025-2026 and \$18,000,000 in FY2026-2027 in motor vehicle tax revenue, counties would lose an additional \$106,540 in FY2025-2026 and \$180,000 in FY2026-2027 in commissions.

Based upon financial projections from similar legislation introduced in 2021 (LB10), for the first half of the calendar year of enactment and last half of the fiscal year, there would be an impact of approximately a 60% (used rather than 50% because greater number of sales due to holiday and tax season) decrease in the commission on motor vehicle tax distribution of counties, or \$106,540 (1% of the total loss of \$10,654,000). Forty percent of the overall loss would go to counties and cities (\$4,261,600) and 60% to schools (\$6,392,400).

For the second year there would be a decrease in the commission on motor vehicle tax distribution of counties by approximately \$180,000 (1% of the total loss of \$18,000,000) - forty percent of the overall loss would go to counties and cities (\$7,056,000), and 60% to schools (\$10,584,000).

The bill has an operative date of January 1, 2026. Because counties’ fiscal years are from July 1 to

June 30, there would be some adjustments that counties would have to make for their FY24-25 budgets, but this cost would be negligible.

Section 13 pertains to the Community Development Assistance Act.

Sections 14 and 15 of AM923 would remove community colleges from the Property Tax Request Act and the need to include them on the “pink postcard” requirements. A minimal or no fiscal impact is expected.

Sections 16-35 modify provisions related to delinquent tax sales. There would be an increase from \$5 to \$20 per parcel for defraying the expenses of advertising the delinquent tax list with the addition of legislative intent language for the Legislature to review the fee at least once every five years to determine whether such fee should be adjusted. For the tax sale conducted in March 2025, advertising fees for 70 counties was \$59,935 for 4,944 parcels and an average of over \$12 per parcel. The impact of the fee increase on each county will be dependent upon advertising costs, number of parcels advertised, and number of parcels redeemed. When a parcel is redeemed, the advertising fee is reimbursed to the county by the property owner.

The administrative fee charged to property owners for service of notice by tax sale certificate purchasers would become automatic upon the issuance of a tax sale certificate. Currently the purchaser must present proof of notice to the county treasurer by affidavit within 30 days after service before an administrative fee of the greater of \$100 or the actual cost may be charged to the property owner. The process in AM923 would create administrative efficiencies for county treasurers in determining whether, when and how much should be charged to the property owner.

AM923 clarifies that counties would not need to provide personal or residence service on tax sale certificates purchased or issued by counties. Additionally, an issuance fee of \$20 shall be increased to \$25 for each tax sale certificate while the notary fee and the \$2 redemption fee would be removed. Therefore, the fiscal impact of the certificate fee increase would be partially offset by a reduction in the redemption and notary fees by a variable which is determinative of the number of delinquent parcels impacted.

Sections 9 and 31-35 create a new process for land banks holding tax sale certificates to seek a tax deed or pursue foreclosure of vacant and abandoned real estate after two years. Existing law provides for tax sale certificate holders to seek a tax deed or pursue foreclosure after three years, regardless of whether the real estate is vacant or abandoned. The new process will require counties to develop administrative processes and make software changes. The cost cannot be determined.

Sections 36 to 64 harmonize various other tax statutes. No fiscal impact because of these sections.

LB650, AM981 would eliminate the increase of \$500,000 tax credits for the Cast and Crew Nebraska Act and qualified shortline railroad maintenance expenditures. These changes were to take effect in 2025-2026 FY. No fiscal impact.

LB650, AM1020 defines a client as a nonprofit entity. No fiscal impact.

| <u>BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE</u> | | | | |
|---|---------------------|-------|--------------|--------------|
| Personal Services: | LB | | | |
| 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 14, 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 650, AM 923, AM 981 or AM 1020 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..... | | | | |

LB⁽¹⁾ 650, AM923, AM981 & AM1020

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe

Date Prepared: ⁽⁴⁾ 4/14/2025

Phone: ⁽⁵⁾ 402-326-9215

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:

LB650, amended as of 4/11/25, would have a minimal fiscal impact to provide judicial education. No additional resources required.

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 11, 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 | \$23,406.42 | \$19,835.00 | \$9,763.64 | \$19,835.00 |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | \$16,406.42 | \$19,835.00 | \$9,763.64 | \$19,835.00 |

Explanation of Estimate:

Both the expenditures and the revenue are 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 number of parcels sold at the tax sale, and the number of annual redemptions.

Expenditures for 2025-26 include the costs for the required advertising in the newspaper and programming costs. Expenditures for 2026-27 included 10% increase in advertising and did not have programming costs.

Revenue includes a \$15 increase of the fee to the county to cover the cost of advertising, \$5 increase in the certificate issuing fee, and less the elimination of the \$2 redemption fee.

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: (3) Bart Moore Date Prepared: (4) April 14, 2025 Phone: (5) 402-471-3902

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025-26 | | FY 2026-27 | |
|---------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | (\$180,000) | _____ | (\$180,000) |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | _____ | (\$180,000) | _____ | (\$180,000) |

This legislation will reduce Motor Vehicle Tax collections for the state. The impact to the Department will be a reduction of revenue from these tax collections for the Vehicle Title and Registration Modernization project that receives 1% of these funds.

The DMV estimates that 40,000 of the 43,465 veterans receiving disability compensation (provided by the Department of Veteran Affairs) will utilize this exemption. For purposes of this calculation, we will use an average motor vehicle tax of \$450 per vehicle and one vehicle per veteran.

These estimates result in a reduction of motor vehicle tax collections of \$18,000,000 per fiscal year. The revenue reduction to the Vehicle Title and Registration Modernization Project is 1% of this amount or \$180,000.

AM981 and AM1020 have no Fiscal Impact on the DMV.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| 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: ⁽²⁾ Metropolitan Community College

Prepared by: ⁽³⁾ Brenda Schumacher

Date Prepared: ⁽⁴⁾ 4/11/2025

Phone: ⁽⁵⁾ (531)622-2406

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Explanation of Estimate

This bill and the amendments associated with it will have no financial impact to MCC.

| 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⁽¹⁾ 650 AM923 AM981 AM1020

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Economic Development

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 4/11/2025 Phone: ⁽⁵⁾ (402) 471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025-26 | | FY 2026-27 | |
|---------------|----------------------------|-----------------------|----------------------------|-----------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | <u>(\$367,420)</u> | <u></u> | <u>(\$371,250)</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>(\$367,420)</u> | <u></u> | <u>(\$371,250)</u> | <u></u> |

Explanation of Estimate:

LB 650 as amended by AM923, AM981 and AM1020 proposes changes to several exemptions, tax credit programs, and other tax incentive programs. Specific to programs administered by DED, LB650 as amended would:

- Eliminates tax credits under the Creating High Impact Economic Futures (CHIEF) Act on 1/1/2026
- Creates (re-establishes) the Community Development Assistance Act (CDAA) on 1/1/2026, and sets the total amount of tax credits available to \$350,000, annually
- Sunsets the Urban Redevelopment Act to new applications on the effective date of LB650.
- Reduces the total amount of tax credits available under the Cast and Crew Nebraska Act to \$500,000 annually
- Suspends tax credits available under the Renewable Chemical Production Tax Credit Act after calendar year 2025 until calendar 2030. Beginning 1/1/2030 DED may award up to \$6 million per year under the program

The changes to DED-administered programs would reduce the total amounts of tax credits awarded for qualified activities; however, the amount of tax credits used is unknown to DED. DED expects that tax credits awarded for the CHIEF Act in 2025 may be carried forward for five years. Future tax credits awarded under the CHIEF Act would be reduced by \$3 million per year beginning in tax year 2026. Cast and Crew Nebraska Act tax credits would be reduced by \$500,000 per year, from \$1 million to \$500,000 per year, beginning in tax year 2026. Renewable Chemical Production Tax credits would be reduced by \$6 million per year between tax years 2026 and 2029. Tax credits distributed under the Urban Redevelopment are estimated to be \$5.5 million between 2026 and the program's current sunset date of 12/31/2031. The CDAA is expected to award \$0.35 million in tax credits annually beginning in tax year 2026.

DED estimates that the provisions of LB650 would result in a reduction of 3.0 FTE. These positions include two Economic Development Managers and an Attorney-II. More reductions would occur after the final applications have been processed, and current awardee's tax credits have expired.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**Personal Services:**

| POSITION TITLE | NUMBER OF POSITIONS | | 2025-26 | 2026-27 |
|---------------------------|---------------------|-------|--------------|--------------|
| | 25-26 | 26-27 | EXPENDITURES | EXPENDITURES |
| G49550 Econ Dev Manager | -2.0 | -2.0 | (\$141,130) | (\$141,130) |
| G31112 Attorney II | -1.0 | -1.0 | (73,970) | (73,970) |
| Total | -3.0 | -3.0 | (\$215,100) | (\$215,100) |
| Benefits..... | | | (75,290) | (75,290) |
| Operating..... | | | (55,520) | (58,270) |
| Travel..... | | | (21,510) | (22,590) |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | (\$367,420) | (\$371,250) |