Doug Gibbs February 04, 2011 471-0051

LB 319

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES *								
	FY 2011-12		FY 2012-13					
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS	\$0		(\$ 2,700,000)					
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS	\$0		(\$ 2,700,000)					

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 319 amends Nebraska Revised Statute Section 77-3523, dealing with the homestead exemption.

The bill would limit the amount the state reimburses local political subdivisions for the homestead exemption program to \$75 million annually. If approved claims exceed that amount, the Tax Commission is to determine the amount to be reimbursed on a first-come, first-served basis based on the dates the claims were approved.

The Department of Revenue noted that homestead exemption applications are approved by both the counties and the Department and that the bill is unclear as to which approval and, consequently, which date is to be used by the Tax Commissioner.

The current appropriation to fund the homestead exemption program is \$65,000,000, with a deficit request of \$3,800,000 to bring the total necessary to fully fund the reimbursement to \$68,800,000.

LB 319 has an operative date of January 1, 2012.

The Department of Revenue estimates that cost to implement LB 319 will be minimal and the bill will reduce General Fund expenditures by the following:

FY11-12: \$ 0 FY12-13: \$ 2,700,000 FY13-14: \$ 6,053,000 FY14-15: \$10,278,000

There is no basis to disagree with the Department's estimate of cost and impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY Lyn Heaton DATE 2/8/11 PHONE 471-2526
COMMENTS

DEPARTMENT OF REVENUE: Relative to the current base appropriation, the bill would allow an increase of \$10 million, which is less than the Governor's recommendation for FY 2012-13.

RECEIVED
Fiscal Note

2011

		State Agency	Estimate	1. P. J. J. J.		
State Agency Name: Department	of Revenue				Date Due LFA:	1/25/2011
Approved by: Douglas Ewald		Date Prepared:	1/19/2011		Phone: 471-5700	
	FY 2011-2012		FY 2012-2013		FY 2013-2014	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$0		(\$2,700,000)		(\$6,053,000)	
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$0		(\$2,700,000)		(\$6,053,000)	

LB 319 limits the state reimbursement to the counties for the Homestead Exemption program to \$75 million annually. If the homestead exemption claims exceed \$75 million, the Tax Commissioner will determine the amount to be reimbursed on a first-come, first-serve basis based on the date the claims were approved. Homestead exemption applications are approved by both the counties and the Department. It is not clear which approval date is to be used.

The operative date for this bill is January 1, 2012, affecting county reimbursements beginning in the second half of FY 2012-13.

LB 319 is estimated to reduce General Fund expenditures by \$2.700 million, \$6.053 million, and \$10.278 million in FY 2012-13 through FY 2014-15, respectively.

Costs to implement LB 319 are minimal.

Major Objects of Expenditure									
Class Code	Classification Title	11-12 FTE	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 Expenditures	13-14 Expenditures		
Travel									
Aid									