PREPARED BY: DATE PREPARED: PHONE:

Doug Gibbs February 07, 2011 471-0051

LB 321

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *							
	FY 201	1-12	FY 2012-13				
	EXPENDITURES	REVENUE EXPENDITURES REVENUE					
GENERAL FUNDS			(6,838,000)				
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS			(6,838,000)				

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

LB 321 amends Nebraska Revised Statutes Sections 77-3501.01 and 77-3505.02, dealing with the eligibility requirements for the homestead exemption.

Section 77-3501.01 reduces the maximum exemption for those over age 65 from 100 percent of the average assessed value of singlefamily residential property in the county to 80 percent. In addition, for the disabled and military widows the maximum exemption is reduced from 120 percent to 100 percent.

Section 77-3505.02 reduces the maximum value of a qualifying homestead for those over age 65 from 200 percent of the average assessed value of single-family residential property in the county to 150 percent. The maximum value for disabled and military widows is reduced from 225 percent to 175 percent.

The Department of Revenue estimates the following fiscal impact of LB 321:

FY2011-12:	\$	0
FY2012-13:	\$ (6,838	3,000)
FY2013-14:	\$ (7,133	3,000)
FY2014-15:	\$ (7,504	,000)

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

	REVIEWED BY	Lyn Heaton	DATE 2/8/11	PHONE 471-2526
COMMENTS				
DEPARTMENT	OF REVENUE:	No basis upon which to disagree.		

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LEGISLATIVE FASCAL Fiscal Note 2011

		State Agency	Estimate			
State Agency Name: Department of	of Revenue				Date Due LFA:	1/25/2011
Approved by: Douglas Ewald		Date Prepared:	1/29/2011		Phone: 471-5700	
	FY 2011-	-2012	FY 2012	-2013	FY 201	3-2014
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$0		(\$6,838,000)		(\$7,133,000)	
Cash Funds						
Federal Funds						
Other Funds Total Funds		··· _····	(\$6.939.000)		(\$7,133,000)	
Total Fullus			(\$6,838,000)		(\$7,135,000)	

LB 321 returns the eligibility requirements for the Homestead Exemption Program to pre-2007 levels, by reducing the property tax exemption for those who qualify. The maximum exemption is reduced from 100% to 80% of the average assessed value of single-family residential property for those over age 65, and from 120% to 100% of the average assessed value for the disabled.

LB 321 also reduces the maximum value of a qualifying homestead property for those over age 65 from 200% to 150% of the average assessed value of single-family residential property in the county. For disabled applicants, the maximum value is reduced from 225% to 175% of the average assessed value of single-family residential property in the county.

The change in these two provisions results in an estimated reduction of expenditures for the Homestead Exemption program by \$6.838 million, \$7.133 million, and \$7.504 million in FY 2012-13 through FY 2014-15, respectively.

Costs to implement LB 321 are minimal.

Major Objects of Expenditure								
Class Code	Classification Title	11-12 <u>FTE</u>	12-13 <u>FTE</u>	13-14 <u>FTE</u>	11-12 Expenditures	12-13 <u>Expenditures</u>	13-14 Expenditures	
DenseEte					10 10			
Operating Costs								
Capital Outlay		•••••••		•••••	\$0	(\$6,838,000)	(\$7,133,000)	
Capital Improvements					\$0	(\$6,838,000)	(\$7,133,000)	

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