Doug Gibbs February 14, 2011 471-0051

LB 363

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

	ESTIMATE OF FISC	CAL IMPACT - ST	ATE AGENCIES *		
	FY 2011-12 FY 2012-13				
_	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE	
GENERAL FUNDS	(\$433)		(\$433)		
CASH FUNDS	(\$750)	¥-	(\$750)	\$45,000	
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS	(\$1,183)		(\$1,183)	\$45,000	

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

LB 363 amends a number of sections of Nebraska Statutes dealing with the Tax Equalization and Review Commission (TERC), property tax protests, and decisions of county boards of equalization.

The bill amends Sections 77-202.04 and 77-202.12 to limit the ability of the Tax Commissioner or Property Tax Administrator to intervene in certain appeals to the TERC to 30 days following notice that an appeal has been filed.

The bill amends Section 77-5013 to increase the filing fee for appeals to the Tax Equalization and Review Commission from \$25.00 to \$50.00, beginning January 1, 2012.

The bill amends Section 77-5015, regarding appeals of valuation or exemption of multiple parcels involving the same owner and same issues, to remove authority to consolidate the appeals and to refund the filing fees paid for consolidated appeals.

The bill adds new language to provide notification of other parties when a determination or petition cannot be had without the presence of those other parties.

The bill provides that notice of the meeting required by Sections 77-5022 to 77-5028, regarding statewide equalization, shall be placed on a web site maintained by the Secretary of State. The notification statement is to contain language that any petition brought by a county board of equalization to adjust the value of a class or subclass of property will be heard between July 26 and August 10 at a date, time, and place as provided in the agenda maintained by the TERC.

The bill contains the emergency clause.

The Tax Equalization and Review Commission estimates the following fiscal impact:

The filing fee increase will generate an additional \$45,100, based on an average of 1,804 filings.

Removal of the authority to grant refunds in certain situations is estimate at a reduction in expenditures of \$750.

Posting notice on the Secretary of State's web site will reduce expenditures by an estimated \$433.

The Department of Revenue indicates no fiscal impact as a result of LB 363.

The Secretary of State indicates no fiscal impact as a result of LB 363.

There is no basis to disagree with the Tax Equalization and Review Commission's, the Department of Revenue's or the Secretary of State's estimate of fiscal impact.

ADMINISTRATIVE SERVICES	

REVIEWED BY	Lyn Heaton	DATE 2/16/11	PHONE 471-2526

COMMENTS

TAX EQUALIZATION AND REVIEW COMMISSION: Based on the figures offered by the agency, the average of the refunds over the past 5 years is \$677. Other than that, the agency calculations appear reasonable. The additional cash fund revenue could be made available to reduce the General Fund appropriation to the Commission.

FISCAL NOTE JAN 2 4 2011 LB363 Tax Equalization and Review Comm

	Wickersham, William
Date Prepared	1/21/2011
Prepared Phone	402-471-8915

Estimate Provided By State Agency or Political Subdivision

	FY 2011-2012		FY 2012-2013		
	Expenditures	Revenue	Expenditures	Revenue	
General Funds	(\$433)		(\$433)	· ·	
Cash Funds	(\$750)		(\$750)	\$45,100	
Federal Funds					
Other Funds					
Total Funds	(\$1,183)		(\$1,183)	\$45,100	

Explanation of Estimate:

Section 13 increases the filing fee from \$25 to \$50 as of 1-1-12. Filings by year for the previous four years are 07 1862, 08 1711, 09 1724, and 10 1918. The average is 1804 per year. At \$25 1804 filings generate fees of \$45,100. At \$50 1804 filings generate fees of \$90,200. The increase is \$45,100. Most filings occur in Sept. and Oct. The filing fee would not be increased prior to Sept. Oct. of 11 therefore no impact is calculated for 11-12.

Section 14 of the bill removes authority to refund fees in some cases. There are few requests for refunds. Refunds by fiscal year have been 06 \$325, 07 \$1,335, 08 \$375, 09 \$125, 10 \$1,225. The average is \$752.5 rounded to \$750.

Section 19 allows the Commission to post notice of its statewide equalization proceedings on a web page maintained by the Secretary of State. The cost of publication for that notice was \$433 in 2010.

Major Objects of Expenditure

	Number of Positions		FY 2011-2012	FY 2012-2013	
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures	
		Benefits			
		Operating			
		Travel			
		Capital outlay			
		Aid			
		Capital improvements			
		Total			

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LB 363 LEGISLATIVE FISCAL Note

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		State Agency	Estimate	HVE FIBCAL	1	
State Agency Name: Department of	Revenue				Date Due LFA:	2/16/11
Approved by: Douglas Ewald		Date Prepared:	2/10/11		Phone: 471-5700	
	FY 201	1-2012	FY 20	12-2013	FY 20	13-2014
	<u>Expenditures</u>	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue
General Funds						l
Cash Funds						
Federal Funds						
Other Funds						
Total Funds						

LB 363 limits the authority of the Tax Commissioner or Property Tax Administrator to intervene in an appeal to the Tax Equalization and Review Commission (TERC) involving grants of exemption to 30 days after notice is received. The bill removes the required information that was to be contained in the county clerk's notice to the protestor regarding the report of the county board's decision.

This bill also allows TERC hearings to be held by telephone. For the statewide equalization hearings and hearings for any petitions to adjust a class or subclass or property filed by a county, the notice of hearing will no longer be required to be published in a newspaper, instead the TERC is to post the notice of hearings to a website maintained by the Secretary of State. It removes references to TERC hearing appeals of actions of the Property Tax Administrator prior to July 1, 2007. It raises the filing fee for appeals to TERC from \$25 to \$50 and deletes references to consolidation of appeals.

LB 363 requires county boards of equalization to issue decisions on protests of omitted property or complaints of rejection of homestead exemption applications within 30 days of the filing of the protest or complaint. It requires TERC to provide notice to all parties who could be affected by their decision in an appeal, unless the decision does not affect their rights. It should be noted that changes in valuation or an adjustment for equalization could affect all taxpayers in a county.

Further, if TERC determines in an appeal that property that had been exempt is taxable, LB 363 allows TERC to order the county board of equalization to determine the taxable value of the subject property and send notice within 30 days of the TERC order. It also requires the county board of equalization to apply interest to the taxable value which cannot be done as interest is not applied to assessed value.

This bill makes education requirements uniform for all Commissioners (currently the educational requirements for attorney members and non-attorney members of TERC are different).

It is estimated that there will be no cost to the General Fund to implement this bill.

It is estimated that there will be no cost to the Department to implement this bill.

This bill has the emergency clause and becomes operative upon the signing by the Governor.

lassification Title	11-12 <u>FTE</u>	12-13 FTE	13-14 FTE	11-12 Expenditures	12-13 <u>Expenditures</u>	13-14 Expenditures
						

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FISCAL NOTE LB363 Secretary of State

FEB 1 5 2011

Prepared By	Hinzman, Suzanne
Date Prepared	2/15/2011
Prepared Phone	402-471-2384

LEGISLATIVE FISCAL

	FY 201	1-2012	FY 2012-2013	
	Expenditures	Revenue	Expenditures	Revenue
General Funds				
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	0	0	0	0

Explanation of Estimate:

This bill has no fiscal impact for the Secretary of State.

Major Objects of Expenditure

	Number of Positions		FY 2011-2012	FY 2012-2013
Position Title	FY 2011-2012	FY 2012-2013	Expenditures	Expenditures
		Benefits		
		Operating		
		Travel		
		Capital outlay		
		Aid		
		Capital improvements		
		Total		