Doug Gibbs January 21, 2014 402-471-0051

LB 733

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 201	4-15	FY 2015-16					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS								
CASH FUNDS		\$5,000		\$3,000				
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS		\$5,000		\$3,000				

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

LB 733 creates the Mass Assessment Act.

The bill creates the Mass Assessment Board whose responsibility is to administer the Act. The Board is to consist of three county assessors appointed by the Tax Commissioner, the Tax Commissioner or his or her designee, and a fifth member who is to be appointed by the other four members and who serves at the discretion of the other four members.

The Mass Assessment Board may receive applications for credentialing under the Act. There are three levels of credentialing: Mass Assessment Specialist I, Mass Assessment Specialist II, and Certified Assessment Specialist. Each of the three credentials requires that the applicant be at least 19-years of age, no felonies, is employed by a governmental agency or subdivision or is either under contract to an agency or subdivision or employed by an entity under contract to an agency or subdivision to perform functions related to the valuation or equalization of property for property tax purposes. Each level of credential has education, experience, supervision and continuing education requirements. The Board also has the power to revoke a credential for causes specified in the bill.

The bill provides for an application fee of \$100 and an initial and renewal credentialing fee of no more than \$100. The fees are to be deposited in the Mass Assessment Fund which is created by the bill and is to be used to administer the Act.

NOTE: While the bill specifies the above fees for application and the initial and renewing credential, it provides no requirement that credentials must be applied for or that a credential be renewed and provides no renewal mechanism.

LB 733 provides that any person holding a credential under this Act is exempt from the Real Property Appraiser Act.

The Department of Revenue may adopt and promulgate rules and regulations to carry out the provisions of the Act.

The Department of Revenue indicates that because the administrative duties of the Board would be housed at the Department of Revenue they will require 0.5 FTE to track continuing education hours and perform any ministerial tasks associated with the Board. The Department estimates that approximately 200 individuals will pay the application and renewal fee over the course of three fiscal years.

We disagree with the Department of Revenue's estimate of cost and believe that because LB 733 does not require credentialing the fiscal impact will be substantially less than that estimated by the Department and will not require additional personnel to implement.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES								
LB: <mark>733</mark>	LB: 733 AM: AGENCY/POLT. SUB: NACO							
REVIEWED BY:	Lyn Heaton		DATE: 1/21/2013 PHONE: <u>402.471.4181</u>					
COMMENTS: It is assumed that there will be no or minimal fiscal impact to the counties as the cost of the application fees								
and required levels of education would most likely be borne by the individual to whom the credential would be issued. A								
county would have the discretion to cover these costs but such action is not mandated by the bill.								

Please complete <u>ALL</u> (5) blanks in the first three lines.

Capital improvements.....

TOTAL

LB ⁽¹⁾ 733					FISCAL NOTE				
State Agency OR Political	Subdivision Name: (2)	Nebraska Association of County Officials (NACO)							
Prepared by: ⁽³⁾ Elain	Prepared by: ⁽³⁾ Elaine Menzel		Date Prepared: ⁽⁴⁾ 1/14/2014 P		402.434.5660, ext 225				
ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION									
	FY 2014-15 FY 2015-16								
	EXPENDITURES	REVENUE	<u>EXPENDITU</u>		REVENUE				
GENERAL FUNDS									
CASH FUNDS									
FEDERAL FUNDS									
OTHER FUNDS									
TOTAL FUNDS									
Explanation of Estimate									
-									
No fiscal impact to co	unties.								
Personal Services:	BREAKDO	WN BY MAJOR OBJ	ECTS OF EXPENDI	TURE					
NUM		IBER OF POSITIONS <u>-15</u> <u>15-16</u>	2014-15 <u>EXPENDITU</u>		2015-16 EXPENDITURES				
Benefits									
Operating									
Travel									
Capital outlay									
Aid									

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Fiscal Note 2014

State Agency Estimate									
State Agency Name: Department of Revenue Date Due LFA: 1/17/2014									
Approved by: Kim Conroy		1/17/2014		Phone: 471-5896					
FY 2014-2015		FY 2015-2016		FY 2016-2017					
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue				
\$ 13,600	\$ 0	\$ 14,000	\$ 0	\$ 14,200	\$ 0				
	\$ 12,000		\$ 6,000		\$ 2,000				
\$ 13,600	\$ 12,000	\$ 14,000	\$ 6,000	\$ 14,200	\$ 2,000				
	<u>FY 2014-</u> Expenditures \$ 13,600	Evenue Date Prepared: FY 2014-2015	Evenue Date Prepared: 1/17/2014 FY 2014-2015 FY 2015 Expenditures Revenue Expenditures \$ 13,600 \$ 0 \$ 14,000 \$ 12,000	Evenue Date Prepared: 1/17/2014 FY 2014-2015 FY 2015-2016 Expenditures Revenue Expenditures Revenue \$ 13,600 \$ 0 \$ 14,000 \$ 0 \$ 12,000 \$ 6,000 \$ 6,000	Evenue Date Due LFA: Date Prepared: 1/17/2014 Phone: 471-5896 FY 2014-2015 FY 2015-2016 FY 201 Expenditures Revenue Expenditures Revenue \$ 13,600 \$ 0 \$ 14,000 \$ 0 \$ 12,000 \$ 6,000 \$ 14,200				

LB 733 would establish the Mass Assessment Act. It creates a Mass Assessment Board (Board) consisting of five voting members: three county assessors appointed by the Tax Commissioner; the Tax Commissioner or his or her delegate from Property Assessment; and one credentialed appraiser. The terms of the Board members are two years, and they may be appointed for up to two additional terms. The Board is to meet at least once each year.

LB 733 creates three classes of credentialing: Mass Assessment Specialist I; Mass Assessment Specialist II; and Certified Assessment Specialist. The use of these credentials is limited to setting valuations for ad valorem tax purposes, and grants the Board the power to revoke the credentials of any persons for violating the Act.

LB 733 fixes the fees that may be charged by the Board. The Mass Assessment Fund is created to deposit these fees to and to pay for administration and enforcement of the Act.

LB 733 authorizes the Tax Commissioner to adopt and promulgate regulations.

The administrative duties of the Board would be housed at the Department of Revenue. It is estimated that adoption of this bill will require half of a FTE to track continuing education hours and perform any ministerial tasks associated with the Board. It is estimated that approximately 200 persons will be paying the application and renewal fees of \$100, which will be remitted to the Mass Assessment Fund over three fiscal years.

Major Objects of Expenditure										
14-15 15-16 16-17 14-15 15-16 16-17										
Class Code	Classification Title	FTE	<u>FTE</u> 0.5	FTE	Expenditures	Expenditures	Expenditures			
S01112	Office Clerk II	0.5	0.5	0.5	\$ 10,200	\$ 10,500	\$ 10,700			
Benefits		\$ 3,400	\$ 3,500	\$ 3,500						
Operating Costs										
Capital Outlay										
Aid										
Capital Improvements										
Total	\$ 13,600	\$ 14,000	\$ 14,200							