PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs January 22, 2014 402-471-0051

LB 675

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 201	14-15	FY 2015-16					
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE				
GENERAL FUNDS								
CASH FUNDS								
FEDERAL FUNDS								
OTHER FUNDS								
TOTAL FUNDS								

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

LB 675 amends Nebraska Revised Statutes Section 77-202 dealing with property tax exemptions.

The bill would remove the property tax exemption for property owned and used by religious organizations. This would have the effect of placing real property, tangible depreciable personal property, and motor vehicles on the tax rolls.

Placing such property on the tax rolls would have an effect on the TEEOSA formula by reducing state aid, but we are unable to determine the dollar amount of the impact.

The bill also amends Section 77-382 by removing a reference to religious organizations.

The bill has an operative date of January 1, 2015.

The Department of Revenue indicates no fiscal impact to the state and no cost to the Department to implement the provisions of LB 675.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: <mark>675</mark>	AM:	AGENCY/POLT. SUB: Revenue					
REVIEWED BY: Ly	REVIEWED BY: Lyn Heaton DATE: 1/21/2013 PHONE: 402.471.4181						
COMMENTS: The Department's fiscal note is correct that the lack of data regarding the value of property owned by religious							
organizations (that is used for educational, religious, charitable, or cemetery purposes) makes the impact on the local tax							
base, and consequently tax revenue, indeterminate. Concur with the Department's analysis regarding the likely impact on							
the TEEOSA state aid formula. Again, this impact is indeterminate.							
The Department's estimate of no General Fund revenue impact and no operational cost impact on the Department appears							
reasonable.							

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: <mark>675</mark>	AM:	AGENCY/POLT. SUB: NACO					
REVIEWED BY: Lyn Heaton DATE: 1/21/2013 PHONE: 402.471.4181							
COMMENTS: The NACO fiscal note is correct that without any data regarding the value of property owned by religious							
organizations (that is used for educational, religious, charitable, or cemetery purposes) the revenue impact on counties, and							
other local political subdivisions, is indeterminate. It is assumed however that an increase in the taxable assessed value of							

property could allow an increase in local government property tax revenue if levy rates were maintained.

State Agency Estimate							
State Agency Name: Department	of Revenue				Date Due LFA:	1/15/2014	
Approved by: Kim Conroy		Date Prepared:	1/14/2014		Phone: 471-5896		
	FY 201:	<u>5-2016</u>	FY 20	16-2017			
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$ 0		\$ 0		\$ 0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$ 0		\$ 0		\$ 0	

LB 675 eliminates the property tax exemption for property owned and used by religious organizations. It would return all real property, tangible depreciable personal property, and motor vehicles owned and used by religious organizations to the tax rolls.

Exempt properties are not inventoried by counties so the impact to the county tax base can't be estimated.

The addition of this property to the tax rolls may have some impact on the state aid formula when determining the property value as a basis for determining the local effort rate.

This bill would become operative on January 1, 2015.

It is estimated that this bill will have no impact on the General Fund.

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

Major Objects of Expenditure							
Class Code	Classification Title	14-15 <u>FTE</u>	15-16 <u>FTE</u>	16-17 <u>FTE</u>	14-15 <u>Expenditures</u>	15-16 Expenditures	16-17 Expenditures
Benefits							
Operating Costs							
Aid							
Capital Improvement	S						

LB ⁽¹⁾ 675					FISCAL NOTE					
State Agency OR I	Political Subdivision Name:	Nebraska .	Nebraska Association of County Officials (NACO)							
Prepared by: (3) Elaine Menzel		Date Prepare	ed: (4) 1/13/2014	1/13/2014 Phone: (5)						
	ESTIMATE PRO	VIDED BY STATE A	GENCY OR POLITICA	AL SUBDIVISIO	ON					
		FY 2014-15		FY 2015	-16					
	EXPENDITU	· · · · · · · · · · · · · · · · · · ·	<u>UE</u> <u>EXPENDI</u>		REVENUE					
GENERAL FUN	DS									
CASH FUNDS										
FEDERAL FUN	DS									
OTHER FUNDS										
TOTAL FUNDS										
D 1 / CD										
Explanation of E LB 675 would 6	stimate: eliminate the tax exem	ption for religious or	ganizations. At this ti	me, assessor	s do not assess					
	are exempt under the									
Personal Service		<u>AKDOWN BY MAJO</u>	R OBJECTS OF EXPEN	<u>NDITURE</u>						
1 croonar service	<u>.</u>	NUMBER OF POSI	TIONS 2014	-15	2015-16					
POSITION TITLE		<u>14-15</u> <u>1.</u>	<u>5-16</u> <u>EXPEND</u>	<u>ITURES</u>	EXPENDITURES					
D C.										
•										
= -										
= =	nents									
TOTAL										