PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 05, 2014 402-471-0051

**LB 1087** 

Revision: 00

## FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2014-15		FY 2015-16				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS	\$ 0		\$ 406,000				
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$ 0		\$ 406,000				

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

LB 1087 amends Nebraska Revised Statutes dealing with the homestead exemption.

The bill provides for a 100% property tax exemption for a veteran with a honorable or general (under honorable conditions) discharge who is drawing compensation for a 100% disability from the U.S. Dept. of Veterans Affairs and who is not eligible for the existing total homestead exemption. This provision would also apply to that veteran's unremarried widow or widower.

LB 1087 also gives a 100% property tax exemption to the unremarried widow or widower of any honorably discharged (or general discharge under honorable conditions) veteran who died because of a service-connected disability.

Finally, the bill gives a 100% property tax exemption to the unremarried widow or widower of a serviceman or servicewomen, including a veteran other than a veteran described in Section 80-401.01, whose death on active duty was service connected.

The above exemption would be granted regardless of the claimant's income level or property value.

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

The Department of Revenue estimates that LB 1087 would increase expenditures from the General Fund by the following amounts:

FY2014-15: \$ 0 FY2015-16: \$ 406,000 FY2016-17: \$ 416,000

The Department of Revenue estimates the cost to implement LB 1087 will be minimal.

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

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 1087	AM:	AGENCY/POLT. SUB: Department of Revenue				
REVIEWED BY: Lyn Heaton			DATE: 2/5/2014	PHONE: 402.471.4181		
COMMENTS: No basis to disagree with the Department of Revenue's analysis.						

State Agency Estimate								
State Agency Name: Department of Revenue				Date Due LFA:				
Approved by: Kim Conroy	Date Prepared: P			Phone: 471-5896				
	FY 2014-2015		FY 2015-	FY 2015-2016		FY 2016-2017		
	<b>Expenditures</b>	Revenue	<b>Expenditures</b>	Revenue	<b>Expenditures</b>	Revenue		
General Funds	\$0	\$0	\$406,000	\$0	\$416,000	\$0		
Cash Funds								
Federal Funds								
Other Funds								
Total Funds	\$0	\$0	\$406,000	\$0	\$416,000	\$0		

LB 1087 would amend the homestead exemption laws to provide a 100% exemption for homesteads owned and occupied by: (1) honorably discharged veterans with a 100% service-connected disability; (2) un-remarried widows or widowers of any honorably discharged veteran who died due to the service-connected disability; (3) un-remarried widows or widowers of servicemen or servicewomen whose death while on active duty was service connected. These homestead exemptions would be granted without regard to whether the value of the homestead is in excess of 225% of the average assessed value for single-family residential property in the claimant's county.

LB 1087 would become operative January 1, 2015.

The estimated increase to General Fund expenditures would be as follows:

FY 2014-2015 \$ -FY 2015-2016 \$ 406,000 FY 2016-2017 \$ 416,000

It is estimated that there will be minimal 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 <u>Expenditures</u>	16-17 <u>Expenditures</u>
Benefits							
Operating Costs.							
Travel	Travel						
A: .1							
	nts						
Total							