PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs March 03, 2015 402-471-0051

LB 476

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF	FISCAL IMPACT - STA	ATE AGENCIES (See r	narrative for political subdiv	ision estimates)
	FY 201	5-16	FY 20	16-17
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$36,120		\$0	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$36,120		\$0	

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

LB 476 requires each county assessor to annually prepare and submit to the Property Tax Administrator, a list of each tax exempt parcel of real property in the county and the estimated market value of each parcel.

Based on the lists received from the county assessor, the Property Tax Administrator is to prepare a report listing each tax exempt property in the state, the estimate market value of each parcel, and a breakdown of the estimated market value of such property located in each county, city, village, and school district.

The report is to be submitted to the Legislature by December 31 each year.

The bill would become operative three months following adjournment of the Legislature.

The Department of Revenue indicates a one-time cost paid to the Office of the CIO of \$36,120 to develop a new database.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials indicates that the cost to implement LB 476 would be significant and determining the estimated market value nearly impossible for some exempt property, such as the University of Nebraska-Lincoln's Memorial Stadium or the State Capitol. Typically these properties rarely, if ever, sell and therefore no comparison sales data can be found.

We have no basis to disagree with the Association's estimate of cost.

ADMINISTRAT	TIVE SERVICES-STA	TE BUDGET DI	IVISION: REVIEW OF AGENCY 8	R POLT. SUB. RESPONSES			
LB: 476	AM:	AGENCY/PC	DLT. SUB: Dept. of Revenue				
REVIEWED BY: Lyr	n Heaton		DATE: 3/3/2015	PHONE: 471-4181			
COMMENTS: The Department of Revenue's estimate of the cost to compile the list of parcels which are exempt from the							
property tax and the	property tax and then their ability to disaggregate the lists at various levels will depend to a great extent on the sophistication						
(or lack thereof) of the method for compiling and maintaining the information. In other words, an online data submission							
mechanism requiring application development that incorporates a SQL or other similar database has a different cost than 93							
uniformly formatted	and structured spread	dsheets emailed	in and then subsequently combine	ed into a single spreadsheet file.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES						
LB: 476 AM: AGENCY/POLT. SUB: NE. Assoc. of County Officials (NACO)				y Officials (NACO)		
REVIEWED BY: Lyn Heaton			DATE: 3/3/2015	PHONE: 471-4181		
COMMENTS: Though no exact cost estimate is provided, I have no basis upon which to disagree with the NACO analysis						
that the bill will increa	that the bill will increase costs for county assessors.					

LB 476 Fiscal Note 2015

		State Agency	Estimate			
State Agency Name: Department of	Revenue				Date Due LFA:	
Approved by: Len Sloup		Date Prepared:	2/18/2015		Phone: 471-5896	
	FY 2015-	2016	FY 201	<u>6-2017</u>	FY 201	7-2018
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$36,120					
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$36,120					

LB 476 would require county assessors to compile a list of exempt real property parcels, estimate a market value for each parcel, and submit the list and estimated values to the Property Tax Administrator (PTA), on or before December 1 each year. The PTA shall prepare a report that includes a list of all of the real property parcels that are exempt from property taxation, along with the estimated values for each parcel, and a breakdown of the estimated market value of exempt real property by county, city, village, and school district. This report is to be electronically submitted to the Clerk of the Legislature, on or before December 31 each year.

There is no impact to the General Fund associated with this bill.

Cost to the Department to implement LB 476 includes a one-time cost paid to the OCIO of \$36,120 to develop a new database.

	Major	r Objects of E	Expendit	ure			
Class Code	Classification Title	15-16 <u>FTE</u>	16-17 <u>FTE</u>	17-18 <u>FTE</u>	15-16 Expenditures	16-17 Expenditures	17-18 Expenditures
Benefits				<u> </u>			
Operating Costs					\$36,120		
Capital Outlay							
Aid							
Capital Improvements							
					\$36,120		

LB ⁽¹⁾ 4/6				FISCAL NOT			
State Agency OR Political Subdivision Name: (2	Nebraska Ass	Nebraska Association of County Officials (NACO)					
Prepared by: (3) Elaine Menzel	Date Prepared: (4) 1/20/2015	Phone: (5)	402-434-5660			
ESTIMATE PROV	<u>'IDED BY STATE AGE</u>	NCY OR POLITICAL	. SUBDIVISIO)N			
\mathbf{F}	Y 2015-1 <u>6</u>		FY 2016	<u>-17</u>			
<u>EXPENDITURI</u>	ES REVENUE	EXPENDIT	<u>URES</u>	REVENUE			
GENERAL FUNDS	<u> </u>						
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
FOTAL FUNDS	_						
Explanation of Estimate:							
Explanation of Estimate: BREAKDO	OWN BY MAJOR OBJE	CTS OF EXPENDITU	<u>JRE</u>				
Explanation of Estimate: BREAKDO Personal Services:				2016-17			
Explanation of Estimate: BREAKDO Personal Services:	OWN BY MAJOR OBJE NUMBER OF POSITIO 15-16 16-1	ONS 2015-1	6	2016-17 EXPENDITURES			
Explanation of Estimate: BREAKDO Personal Services:	NUMBER OF POSITION	ONS 2015-1	6				
Explanation of Estimate: BREAKDO Personal Services: POSITION TITLE	NUMBER OF POSITION	ONS 2015-1	6				
Explanation of Estimate: BREAKDO Personal Services: POSITION TITLE Benefits	NUMBER OF POSITION	ONS 2015-1	6				
Explanation of Estimate: BREAKDO Personal Services: POSITION TITLE Benefits	NUMBER OF POSITION	ONS 2015-1	6				
Explanation of Estimate: BREAKDO Personal Services: POSITION TITLE Benefits	NUMBER OF POSITION	ONS 2015-1	6				
Explanation of Estimate: BREAKDO Personal Services: POSITION TITLE Benefits	NUMBER OF POSITION	ONS 2015-1	6				
Explanation of Estimate: BREAKDO Personal Services:	NUMBER OF POSITION	ONS 2015-1	6				

LB 476 would require an assessor to (a) compile a list of each parcel of real property in the county which is exempt from the property tax, (b) determine the estimated market value of each such parcel, and (c) submit such list, along with the estimated market values, to the Property Tax Administrator. The cost of the assessor performing these functions would be significant and nearly impossible to determine for some exempt property, such as the University of Nebraska – Lincoln football stadium or the State Capitol. Typically these properties rarely, if ever, sell and therefore no comparison sales data can be found.