PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 16, 2016 402-471-0051

**LB 1037** 

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)									
	FY 2016-17 FY 2017-18								
	EXPENDITURES REVENUE EXPENDITURES								
GENERAL FUNDS	\$0		\$0						
CASH FUNDS									
FEDERAL FUNDS									
OTHER FUNDS									
TOTAL FUNDS	\$0		\$0						

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

LB 1037 amends Nebraska Revised Statutes Section 77-1359 regarding agricultural and horticultural land.

Agricultural land and horticultural land is redefined to mean a parcel of land, excluding buildings or enclosed structures located on the parcel, which is primarily used for agricultural or horticultural purposes. The effect of this change in definition is to now include all land on the parcel as agricultural or horticultural land as opposed to current statute which excludes land associated with buildings from being classified as agricultural or horticultural land.

The bill also removes "wasteland" from the definition of agricultural land and horticultural land and now includes "wasteland" in the definition of "agricultural or horticultural purposes." In addition, "farm sites and farm home sites" are now included under the definition of agricultural purposes.

New language also requires that the determination of whether or not a parcel of land is used for agricultural or horticultural purposes is to be made without regard to the actual value or use of any buildings or enclosed structures on the parcel.

The bill has an operative date of January 1, 2017.

The Legislative Fiscal Office estimates the following expenditure of General Funds for TEEOSA as a result of LB 1037:

FY2016-17: \$ 0 FY2017-18: \$ 0 FY2018-19: \$ 1,250,000 FY2019-20: \$ 1,250,000

The Department of Revenue indicates that there will be no cost to implement the provisions of LB 1037.

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

## **IMPACT TO POLITICAL SUBDIVISIONS:**

The Nebraska Association of County Officials (NACO) indicates that the fiscal impact of LB 1037 would vary from county to county depending on sales.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 1037 AM: AGENCY/POLT. SUB: Dept. of Revenue							
REVIEWED BY: Lyn Heaton DATE: 2/12/2016 PHONE: 471-4181							
COMMENTS: The Department of Revenue's estimate of no state revenue impact and no operational fiscal impact on the							
Department appears reasonable.							

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: 1037 AM: AGENCY/POLT. SUB: NE. Association of County Officials							
REVIEWED BY: Lyn Heaton DATE: 2/12/2016 PHONE: 471-4181							
COMMENTS: No fiscal impact estimate is provided in the NACO fiscal note. It should be noted that any change which							
impacts the valuation of real property could have a General Fund impact on the TEEOSA school finance formula.							

LB 1037 Fiscal Note 2016

State Agency Estimate									
State Agency Name: Department of Revenue Date Due LFA: 2/16									
Approved by: Tony Fulton	2/12/2016		Phone: 471-5896						
	FY 2016	<u>5-2017</u>	FY 2017-2018		FY 20	18-2019			
	<b>Expenditures</b>	Revenue	Expenditures	Revenue	<b>Expenditures</b>	Revenue			
General Funds		See below		See below		See below			
Cash Funds									
Federal Funds									
Other Funds									
Total Funds		See below		See below		See below			

LB 1037 expands the definition of agricultural and horticultural land to include all land on the parcel.

This bill amends Neb. Rev. Stat. § 77-1359 to provide that agricultural and horticultural land is a parcel of land, excluding buildings or enclosed structures (and no longer excluding the land associated with such buildings). This section also moves "wasteland" from the definition of "agricultural and horticultural land" to the definition of "agricultural or horticultural purposes." It also includes farm sites and farm home sites in the definition of "agricultural or horticultural purposes." There is included a requirement that the determination of whether a parcel is primarily used for agricultural or horticultural purposes is made without regard to the actual value or use of any buildings or enclosed structures on the parcel.

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

Any changes in property values and taxes levied impact the calculations for TEEOSA which may impact General Fund expenditures.

This bill has an operative date of January 1, 2017.

Major Objects of Expenditure										
Class Code	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	16-17 Expenditures	18-19 Expenditures					
Benefits										
Operating Costs										
Travel										
Capital Outlay	Capital Outlay.									
Aid.										
Capital Improvement	nts									

<b>LB</b> <sup>(1)</sup>	1037	7						FISCAL NOTE				
State Agency OR Political Subdivision Name: (2)				Neb	Nebraska Association of County Officials (NACO)							
Prepare	ed by: (3)	Elaine	Menzel	Date	e Prepared: (4) 1/	125/2016	Phone: (5	402.434.5660				
		ES	STIMATE PROV	VIDED BY S	TATE AGENCY (	OR POLITICA	L SUBDIVIS	ION				
			F	EY 2016-17			FY 201	7-18				
			EXPENDITUR		<u>REVENUE</u>	<b>EXPENDI</b>		REVENUE				
GENE	RAL FUN	DS										
CASH 1	FUNDS			<u> </u>								
FEDER	AL FUN	DS		<u></u>								
OTHE	R FUNDS	i										
TOTA	L FUNDS											
Explana	ation of E	stimate:										
The fis	cal impa	ct as a re			ry from county t			ı sales.				
Persona	al Service	s:	BREAKD	OWN BY MA	AJOR OBJECTS C	<u> DF EXPENDIT</u>	<u>rure</u>					
		ION TIT	LE	NUMBER ( 16-17	OF POSITIONS  17-18	2016- EXPENDI		2017-18 EXPENDITURES				
Benefit	s											
Operat	ing											
Travel.												
Capital	outlay											
Aid												
-	•											
TO	TAL											