PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 21, 2019 402-471-0059

LB 482

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2019-20		FY 2020-21			
	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 482 provides that the county board of equalization must adjust the value of real property that is destroyed by fire or other natural disaster between January 1 and October 1 upon receiving a report of such destroyed property from the county assessor.

The adjusted value is the sum of the following three factors:

- The assessed value of the property before it became destroyed multiplied by a percentage representing the portion of the year during which the property was intact and not yet destroyed;
- The assessed value of the property as of the date of its destruction multiplied by a percentage representing the portion of the year during which the property as destroyed and no replacement property as yet been completed; and
- The assessed value of any replacement property as of the date of construction of such replacement property multiplied by a percentage representing the portion of the year during which construction of such property was complete.

The bill also provides a timetable for notice, decision, and appeals. The action of the county board may be appealed to the Tax Equalization and Review Commission. The bill has an operative date of January 1, 2020.

The Department of Revenue estimates the bill will require minimal cost to implement.

The bill could have an impact on property tax revenue to political subdivisions. However, it is not possible to estimate the amount because the number of parcels affected, the concentration of those parcels in any particular taxing district, and the extent of the change in value as calculated by the factors in the bill are all unknown.

If property valuation declines for purposes of property taxation, there could be an increase in state General Fund expenditures through the Tax Equity and Educational Opportunities Act formula, but we estimate any potential increase due to LB 482 would likely be minimal.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 482	AM:	AGENCY/POLT. SUB: Nebraska Dep	partment of Revenue (016)		
REVIEWED BY: Joe Wilcox DATE: 02/25/2019 PHONE: (402) 471-4178					
COMMENTS: No basis to dispute the Nebraska Department of Revenue estimate of potential but Indeterminate Fiscal Impact on TEEOSA and potentially the State General Fund from LB 482.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 482 AM: AGENCY/POLT. SUB: Nebraska Association of County Officials						
REVIEWED	BY: Joe Wilcox	DATE: 01/24/2019	PHONE: (402) 471-4178			
COMMENTS: No basis to dispute the Nebraska Association of County Officials (NACO) estimate of potential but Indeterminate Fiscal Impact to Counties from LB 482.						

LB 482 Fiscal Note 2019

State Agency Estimate						
State Agency Name: Department of Revenue Date Due LFA: 2/21/19						
Approved by: Tony Fulton		Date Prepared:	2/21/19		Phone: 471-5896	
	FY 2019	0-2020	FY 2020-2021		FY 2021-2022	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds						
Cash Funds						
Federal Funds						
Other Funds						
Total Funds						
•	-		•		-	

LB 482 will allow real property that is destroyed by fire or other natural disaster after January 1 and before October 1, to have the assessed value adjusted by the county board of equalization. The county assessor is to report all such property to the county board of equalization.

The adjusted assessed value would be based on the sum of three different numbers: (a) the original assessed value of the property multiplied by the percentage of the year the property was not destroyed; (b) the assessed value of the real property after it was destroyed multiplied by the percentage of the year during which the property is destroyed with no replacement property completed; and (c) the assessed value of any replacement property, as of the date of completion of construction of the replacement property, multiplied by the percentage of the year after which the replacement property is complete.

Notice of the value determined by the county board of equalization will be sent to the owner of record at the last known address. Protests of any such value must be filed within 30 days of the county board of equalization's notice. The county board has 30 days to issue its decision, which must be mailed to the protester within seven days. Any appeals of the county board's decision must be filed with the Tax Equalization and Review Commission within 30 days of the county board of equalization's final decision.

This bill will have an effect on TEEOSA, which will have a corresponding impact on General Fund expenditures.

The operative date for this bill is January 1, 2020.

It is estimated that there will be minimal costs to the Department to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 <u>Expenditures</u>	20-21 Expenditures	21-22 Expenditures
Benefits	Benefits.						
Operating Costs	Operating Costs						
Travel							
Capital Outlay							
Capital Improvements							
Total							

LB (1) 482			FISCAL NOTE			
State Agency OR Political Subdivision Name: (2)	Nebraska Association of County Officials (NACO)					
Prepared by: (3) Elaine Menzel	Date Prepared: (4)	23/2019 Phone: 0	(402) 434.5660			
ESTIMATE PROV	VIDED BY STATE AGENCY	OR POLITICAL SUBDIV	ISION			
<u>FY</u> <u>EXPENDITURE</u>	<u>7 2019-20</u> S <u>REVENUE</u>	<u>FY 209</u> EXPENDITURES	<u>20-21</u> <u>REVENUE</u>			
GENERAL FUNDS						
CASH FUNDS	_					
FEDERAL FUNDS			<u></u>			
OTHER FUNDS						
TOTAL FUNDS						
Explanation of Estimate:						
The fiscal impact to Nebraska counties i eligible for such an adjustment is unquisignificant to a county or counties.	s unknown because the qu	antity of destroyed real p	roperties that would be			
BREAKDO' Personal Services:	WN BY MAJOR OBJECTS O	OF EXPENDITURE	_			
	NUMBER OF POSITIONS 19-20 20-21	2019-20 EXPENDITURES	2020-21 EXPENDITURES			
Benefits						
Operating						
Travel						
Capital outlay						
Aid						
Capital improvements TOTAL						