

1/20/11

PREPARED BY: Doug Gibbs  
DATE PREPARED: February 01, 2011  
PHONE: 471-0051

**LB 384**

Revision: 00

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	(\$64,147)		(\$120,954)	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	(\$64,147)		(\$120,954)	

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 384 amends several sections of Nebraska Revised Statutes dealing with the Tax Equalization and Review Commission (TERC).

Section 77-5003 is amended to change the membership of the Commission from the current four members to three members by eliminating the at-large member of the Commission.

Section 77-5003 is also amended to remove language requiring that the chair and vice-chair positions be rotated among those members of the Commission who are attorneys; and also strikes language permitting the Governor to remove a commissioner for misfeasance, malfeasance, or willful neglect of duty or other cause.

Section 77-5004 is amended to change a requirement regarding commissioners to require that only one commissioner shall have been engaged in the practice of law for at least five years.

LB 384 amends Section 77-5005 to allow single commissioner hearings and Section 5 of the bill provides the criteria for single commissioner hearings. These criteria include: that the taxable value of the parcel is \$1 million or less; the single commissioner hearing is at the request of a party to the appeal; the proceeding is informal; no recording of the proceeding shall be made; a request for rehearing before the Commission may be made; and an order entered by a single commissioner pursuant to this section may not be appealed to the Court of Appeals.

The bill has an operative date of October 1, 2011.

The Tax Equalization and Review Commission indicates the following fiscal impact:

The current at-large member of the Commission has a base salary of \$105,040. FICA and retirement total \$15,914, for a grand total of \$120,954. The period October 1 to June 30 is 75% of a fiscal year, so the potential reduction in expenditures is \$90,715.

The reduction would be offset by the payout of accrued vacation and sick leave. Assuming no usage of vacation or sick leave between the date of this fiscal note and the operative date of the bill, this would be a payment of \$26,678. This would leave a net reduction in expenditures of \$64,147 for FY2011-12. The reduction for FY2012-13 would be \$120,954.

The Commission indicates no additional cost for single commissioner hearings.

There is no basis to disagree with the Commission's estimate of fiscal impact.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/2/11	PHONE	471-2526
COMMENTS					
TAX EQUALIZATION AND REVIEW COMM. – Based on the assumptions offered, the agency analysis appears reasonable.					

