PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza February 8, 2021 (402)471-0050

LB 189

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 202	21-22	FY 2022-23					
	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 189 seeks to change various provisions regarding the protesting and refunding of property taxes. LB 189 removes and amends sections, changing the following procedures:

- Political subdivisions are no longer able to claim hardship to the county treasurer regarding inability to pay a refund;
- A section setting the deadline for refunds at five years from approval is removed;
- Political subdivisions must budget for their refunds in the next budget, with an additional 9% of interest accruing upon approval
 of refund:
- If agreed upon between the governing body and the person receiving a refund, the amount plus any interest can be applied to any tax levied by the corresponding political subdivision, which becomes due from the person receiving a refund until the claim is satisfied in full.

LB 189 becomes operative three months after adjournment.

The Department of Revenue estimates no fiscal impact to the General Fund or to the Department as a result of LB 189. There is no basis to disagree with this estimate.

The impact to political subdivisions is likely to be minimal. For there to be a significant fiscal impact, many political subdivisions would need to undergo a hardship that disallows them from paying a refund to a person in amounts that would lead to budget constraints. This appears to be unlikely to create a large scale impact, although individual political subdivisions could occasionally see significant impacts. The Lancaster County Treasurer estimates no fiscal impact from LB 189. There is no basis to disagree with this estimate.

ADMINIS	STRATIVE SER	VICES STATE BUDGET DIVISION: REVIEW OF AGEN	CY & POLT. SUB. RESPONSE			
LB: 189	AM:	AGENCY/POLT. SUB: Department of Reve	enue			
REVIEWED BY:	Lee Will	DATE: 02/08/2021	PHONE: (402) 471-4175			
COMMENTS: Concur with the Department of Revenue's assessment of no fiscal impact to the State.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 189	AM:	AGENCY/POLT. SUB: Lancaster County Treasurer				
REVIEWED BY:	Lee Will	DATE: 01/25/2021	PHONE: (402) 471-4175			
COMMENTS: Concur with the Lancaster County Treasurer's assessment of no fiscal impact.						

LB 189 Fiscal Note 2021

State Agency Estimate							
State Agency Name: Department	of Revenue				Date Due LFO:		
Approved by: Tony Fulton		Date Prepared:	2/5/2021		Phone: 471-5896		
FY 2021-2022			FY 202	2-2023	FY 2023	3-2024	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$ 0		\$ 0		\$ 0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$ 0		\$ 0		\$ 0	

LB 189 repeals select sections of Neb. Rev. Stat. § 77-1736.06. The bill annuls exceptions for property tax refunds for political subdivisions facing hardship, repeals an end date of five years from the date of the refund order, and clarifies provisions related to accrual of interest on such refunds. If funds are insufficient to pay a refund in full, the county treasurer must register and issue a receipt for the unpaid refund as a claim against the political subdivision. For any refund or claim due, interest will accrue on the unpaid balance at 9% beginning on the date of the final non-appealable order or other action approving the refund.

The governing body of the political subdivision must make provisions in its next budget to pay the remaining refund amount with interest, or if agreed upon, the receipt and interest may be applied to satisfy any tax levied or assessed by that political subdivision which becomes due until the claim is fully satisfied.

The operative date for this bill is three months after adjournment.

It is estimated that this bill will have no impact on General Fund revenues.

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

Major Objects of Expenditure							
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures
Operating Costs	Operating Costs						
Travel							
Capital Outlay							
Capital Improvements.							
Total							

LB ⁽¹⁾ 189					FISCAL NOTE
State Agency OR Political Subdivision Name:	Lanca	ster County	Treasurer		
Prepared by: (3) Kristen Anderson	Date	e Prepared: (4)	January 20, 2021	Phone: (5)	402-441-7409
ESTIMATE PRO	VIDED BY S	TATE AGENO	CY OR POLITICAL S	SUBDIVISIO	ON .
	FY 2021-22			FY 2022	-02
<u>EXPENDITUE</u>		<u>REVENUE</u>	EXPENDITU		REVENUE
GENERAL FUNDS			_		
CASH FUNDS					
FEDERAL FUNDS			-		
OTHER FUNDS					
TOTAL FUNDS					
Explanation of Estimate:					
No fiscal impact.					
BREAKE	OOWN BY M	AJOR OBJECT	TS OF EXPENDITU	RE	
Personal Services:	NIIIMDED 4	DE DOCUTION	C 2021 22		2022 22
POSITION TITLE	NUMBER (<u>21-22</u>	OF POSITION <u>22-23</u>	S 2021-22 <u>EXPENDITU</u>		2022-23 EXPENDITURES
		<u>-</u>	_		
Benefits					
Operating					
Travel					
Capital outlay	•				
Aid					
Capital improvements					