

Revised to include Douglas County's response.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		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.

Douglas County expects an overall negative fiscal impact, due to the requirement of paying 9% interest on the delayed refund. Additionally, Douglas County sees potential for a greater negative impact if changes to the TERC appeals process are made. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 189	AM:	AGENCY/POLT. SUB: Department of Revenue	
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.			

Please complete ALL (5) blanks in the first three lines.

2021

LB189⁽¹⁾ Change provisions relating to property tax refunds

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ DOUGLAS COUNTY, NEBRASKA

Prepared by: ⁽³⁾ Marcos San Martin, County Administration Date Prepared: ⁽⁴⁾ 2/9/2021 Phone: ⁽⁵⁾ 402.444.5116

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Explanation of Estimate:

NEGATIVE (DETRIMENTAL) FISCAL IMPACT TO DOUGLAS COUNTY

LB189 creates a new fiscal mandate that counties pay 9% interest on property tax refunds. This will result in a negative fiscal impact to counties. Further, this impact has the potential to become significantly compounded if other legislation is concurrently passed pertaining to TERC (example, LB613, or similar, TERC appeals to be decided in a provided timeframe).

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22 EXPENDITURES</u>	<u>2022-23 EXPENDITURES</u>
	<u>21-22</u>	<u>22-23</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 189

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Treasurer

Prepared by: ⁽³⁾ Kristen Anderson Date Prepared: ⁽⁴⁾ January 20, 2021 Phone: ⁽⁵⁾ 402-441-7409

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____