

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2021-22</b>		<b>FY 2022-23</b>	
	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 2 amends property tax valuation provisions to provide that for purposes of school district taxes levied to pay principal and interest on bonds, agricultural and horticultural land and land receiving special valuation will be valued at 30% of its actual value. The bill also amends the acceptable range for these classes of property for review by the Tax Equalization and Review Commission to 24% to 30% of actual value or special valuation, respectively. LB 2 would become operative on January 1, 2022.

The Department of Revenue estimates no fiscal impact from LB 2. There is no basis to disagree with this estimate.

The Nebraska Association of County Officials (NACO) estimates that counties will need to modify their computer software and use a separate book for the new valuations. Even so, no significant fiscal impact is expected for counties. There is no basis to disagree with this estimate.

LB 2 could require budget modifications for school districts, as their tax base would be reduced for the payment of principal and interest bond payments. It's difficult to estimate what the total impact would entail, as well as the variation within different school districts.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 002	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 minimal fiscal impact.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 2	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY: Lee Will	DATE: 01/15/2021	PHONE: (402) 471-4175	
COMMENTS: Concur with NACO's assessment of minimal fiscal impact.			



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

**2021**

**LB<sup>(1)</sup> 2**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Association of County Officials (NACO)

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/11/2021 Phone: <sup>(5)</sup> 402.434.5660

**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:

LB 2 would change the valuation of agricultural land and horticultural land for certain school district taxes. While the legislation, if enacted, would require two books to calculate different valuations and also require computer software modifications, the fiscal impact would not be highly significant to counties.

**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.....	_____	_____	_____	_____