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PREPARED BY: Doug Gibbs
DATE PREPARED: February 13, 2012
PHONE: 402-471-0051

LB 1109

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

LB 1109 amends Nebraska Revised Statute Section 77-1363, dealing with the classification of agricultural and horticultural land, to create the classification of inundated land.

"Inundated land" is defined as agricultural or horticultural land which has been inundated by floods making it unsuitable for growing crops or grazing farm animals for two consecutive growing seasons or more. The land must also produce per acre revenue that is less than the county average per acre for the lowest dryland cropland capability group in the most recent prior year. For grazing land, the land must also produce a per acre revenue that is less than the county average for the lowest grassland capability group in the most recent prior year.

The eligibility of the land for this classification is to be determined January 1 of each year. Application for this classification must be made by June 30 of the first year for which such valuation is sought and the county assessor is to approve or deny on or before July 15. The bill also provides that any decision of the county board of equalization in regard to this classification may be appealed to the Tax Equalization and Review Commission.

There appears to be no fiscal impact to the state as a result of LB 1109.

The Department of Revenue indicated minimal costs to implement the provisions of LB 1109.

We have no basis to disagree with the Department's estimate of cost to implement.

IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue indicates that since the bill creates a new subclass of agricultural and horticultural land, there will be programming costs for counties to capture data for the new subclass.

The Nebraska Association of County Officials indicates the fiscal impact is indeterminate until it is known what impact the bill has on assessment practices.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/14/12	PHONE	471-2526
COMMENTS					
NEBRASKA ASSOCIATION OF COUNTY OFFICIALS (NACO): No basis upon which to disagree. The bill could also affect local government property tax revenue to the extent that the new sub-class results in lower valuations. This could increase TEEOSA state aid.					
DEPARTMENT OF REVENUE: Concur. No fiscal impact on the department. Could have an impact on General Funds needed for TEEOSA state aid to the extent that the new sub-class results in a different adjusted valuation.					

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LB⁽¹⁾ 1109 FISCAL NOTE

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

Prepared by: (3) Elaine Menzel Date Prepared: (4) 1/23/2012 Phone: (5) 402.434.5660, ext. 225

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

Table with 5 columns: Fund Type, FY 2012-2013 EXPENDITURES, FY 2012-2013 REVENUE, FY 2013-2014 EXPENDITURES, FY 2013-2014 REVENUE. Rows include GENERAL FUNDS, CASH FUNDS, FEDERAL FUNDS, OTHER FUNDS, and TOTAL FUNDS.

Return by date specified or 72 hours prior to public hearing, whichever is earlier. Explanation of Estimate:

LB 1109 is undetermined until it is known what impact the bill has on assessment practices.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

Table with 5 columns: POSITION TITLE, NUMBER OF POSITIONS (12-13, 13-14), 2012-2013 EXPENDITURES, 2013-2014 EXPENDITURES. Rows include Benefits, Operating, Travel, Capital outlay, Aid, Capital improvements, and TOTAL.

LB 1109

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Fiscal Note 2012

State Agency Estimate					
State Agency Name: Department of Revenue		Date Due LFA: 1/26/2012			
Approved by: Douglas Ewald		Date Prepared: 2/2/2012		Phone: 471-5700	
FY 2012-2013		FY 2013-2014		FY 2014-2015	
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds					
Cash Funds					
Federal Funds					
Other Funds					
Total Funds					

LB 1109 creates a new class of agricultural and horticultural land called inundated land. An owner or lessee of inundated land may file an application with the county assessor to receive an inundated land valuation. The application would be made on forms prescribed by the Tax Commissioner and would be made available from the county assessor.

To receive the inundated land valuation for cropland, the land must have been flooded and made unsuitable for growing crops in two or more consecutive growing seasons. The land must also produce a per acre revenue that is less than the county average per acre for the lowest dryland cropland capability group in the most recent prior year.

To receive the inundated land valuation for grazing land, the land must have been flooded and made unsuitable for grazing in two or more consecutive growing seasons. The land must also produce a per acre revenue that is less than the county average for the lowest grassland capability group in the most recent prior year.

Under LB 1109, the eligibility of land for the inundated land valuation is determined each year as of January 1, and if the land becomes disqualified, the inundated valuation will remain until the next January 1.

LB 1109 will not have a revenue impact on state revenue. The Department will have minimal costs to implement the bill. However, as the bill creates a new subclass of agricultural and horticultural land, there will be programming costs for each county to capture data for the new subclass.

Major Objects of Expenditure

Class Code	Classification Title	12-13	13-14	14-15	12-13	13-14	14-15
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures