

PREPARED BY: David Rippe
 DATE PREPARED: January 31, 2008
 PHONE: 471-0051

LB 897

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2008-09		FY 2009-10	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	1,575,000		1,606,500	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	1,575,000		1,606,500	

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

LB 778 extends the meeting period for county equalization boards by approximately one month. The bill also changes other dates and provisions relating to adjustments and notifications.

Moreover, the bill creates the State Property Taxpayer Referee Division, a division of the Department of Revenue. County boards of equalization may request that referees contracted or employed by the division gather evidence, meet with parties to discuss issues, settle differences, and hear any protests filed by taxpayers. The bill requires that State referees have training in appraisal and dispute resolution.

Because of the window of time in which these services would be performed, the most cost effective method of administering this program would be to contract out these services. Based on approximately 21,000 annual protests at an average cost of \$75 per hearing, the estimated maximum cost of this program would be approximately \$1,575,000 in FY09 and \$1,606,500 in FY10.

IMPACT ON POLITICAL SUBDIVISIONS: To the extent that an extra month of meeting time would cause county equalization boards to incur additional expenses, counties would realize an increase in board related expenditures; this amount is currently indeterminable.

To the extent that county boards of equalization choose to use the State Property Taxpayer Referee Division, counties will realize cost savings from not having to contract with their own referees or use their own board for protest hearings.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	1/31/08	PHONE	471-2526
COMMENTS					
DOUGLAS COUNTY ASSESSOR: No basis upon which to disagree. The General Funds noted on the County Assessor's fiscal note would be county General Funds, not State General Funds.					
LANCASTER COUNTY: No basis upon which to disagree.					
TAX EQUALIZATION AND REVIEW COMMISSION: Concur. No fiscal impact.					