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 DATE PREPARED: February 11, 2008
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LB 733

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			234,000,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0	234,000,000	0

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

LB733 provides for a new general homestead exemption by exempting the first \$25,000 value of each homestead. By statute, homesteads would include single-family residential property and duplexes designed for occupancy by two families that are owner-occupied.

Assuming (1) there are 727,850 of single family/duplex properties, (2) roughly 67% of these properties are owner-occupied, and (3) that 49,500 of these properties already receive an existing homestead exemption; it's projected that the property tax loss would be approximately \$234 million. Under the current homestead exemption statutes, this lost revenue would be reimbursed to local governments through a state General Fund appropriation.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	2/12/08	PHONE	471-2526
COMMENTS					
NEBRASKA DEPARTMENT OF EDUCATION: The bill appears to expend the homestead exemption program by exempting from property taxation the first \$25,000 of actual value of a homestead.					
As this is an expansion of the homestead exemption program, schools will be reimbursed by the state for the tax loss and will not be required to make up the lost revenue by increasing levies.					
No fiscal impact to the Department of Education.					