

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</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 1151 would make changes to provisions under the Homestead Exemption Program.

The bill would add the term “occupy” and define it. Occupy would mean to reside on a property with the intention of maintaining the property as the owner’s primary residence. A departure from the property for reasons of health or legal duty would not disqualify the owner of the property from receiving the exemption, so long as the owner would demonstrate an intention to return to the property.

The bill would harmonize provisions based upon the term occupy and its definition that would be added under this bill.

The operative date for this bill is three months after adjournment.

The Department of Revenue estimates no impact to General Fund expenditures as a result of this bill and minimal costs to it to implement the bill.

There is no basis to disagree with this estimate.

The Douglas County Assessor/Register of Deeds Office notes Nebraska Administrative Code, which would provide for homestead exemptions to applicants in the case the applicant is residing in a nursing home.

The Lancaster County Assessor/Register of Deeds Office estimates little to no impact to it as a result of this bill. There is no basis to disagree with this estimate.

TECHNICAL NOTE: The bill is vague in defining what health or legal duty reasons would apply, making it uncertain what could be included as eligibility for exemption under this bill.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1151	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 2/21/2024	PHONE: (402) 471-4179	
COMMENTS: The Department of Revenue assessment of minimal fiscal impact from LB 1151 appears reasonable.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1151	AM:	AGENCY/POLT. SUB: Douglas County Assessor	
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179	
COMMENTS: The Douglas County Assessor assessment of no fiscal impact from LB 1151 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 1151      AM:      AGENCY/POLT. SUB: Lancaster County Assessor

REVIEWED BY: Neil Sullivan      DATE: 2/20/2024      PHONE: (402) 471-4179

COMMENTS: The Lancaster County Assessor assessment of no fiscal impact from LB 1151 appears reasonable.



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

**2024**

**LB<sup>(1)</sup> 1151**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Douglas County Assessor/Register of Deeds

Prepared by: <sup>(3)</sup> Michael Goodwillie Date Prepared: <sup>(4)</sup> 1/16/2024 Phone: <sup>(5)</sup> (402 444-6703)

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Explanation of Estimate:**

LB 1151 adds a definition of the term “occupy” to the statutes governing the homestead exemption program. To qualify for homestead exemption, an applicant must be an owner-occupant of the home. Occupy is defined in LB 1151 as residing on a property with the intention of maintaining the property as the owner’s primary residence. It also provides that a departure from the property due to health or legal duty shall not disqualify the owner as long as he or she demonstrates an intent to return. The idea is, I imagine, that if someone has to go to a medical facility for a time, that person can still qualify for homestead if the intent is to return home after leaving the medical facility.

There is currently a Department of Revenue Regulation, Nebraska Administrative Code Title 350, Chapter 45, Regulation 002.19A, dealing with situations where a resident goes into a nursing home. The regulation indicates that the intent to return is key, the owner’s furnishings are still there and the property has not been leased. As a practical matter, then, our office is already doing what LB 1151 would mandate. Therefore, we do not believe LB 1151 would add administrative costs to our office.

LB 1151 does touch an issue that has never been well-defined. When a senior property owner goes into a rehab or nursing facility, how long can they be considered an owner-occupant? And at what point does an “intent to return” become unreasonable due to the physical or mental condition of the property owner? As an example, our office encountered a situation where a property owner was close to 100 years of age and had been in nursing homes for a decade, yet his daughter continued to file homestead exemption applications on his behalf, insisting that her dad intended to return home. Does the owner in this scenario still qualify for exemption under LB 1151? It would be helpful, if the Legislature wants to address what occupancy looks like, if they would consider when occupancy ends.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<b><u>POSITION TITLE</u></b>	<b>NUMBER OF POSITIONS</b>		<b>2024-25</b>	<b>2025-26</b>
	<b><u>24-25</u></b>	<b><u>25-26</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>EXPENDITURES</u></b>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL</b> .....				

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

**2024**

**LB<sup>(1)</sup> 1151**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County Assessor/Register of Deeds

Prepared by: <sup>(3)</sup> Dan Nolte Date Prepared: <sup>(4)</sup> 01/12/2024 Phone: <sup>(5)</sup> 402-441-7463

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</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:**

The proposed legislation will have little to no impact on the budget for this office.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____