

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS		See Below		See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	See Below	See Below	See Below

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

LB 13 amends the Property Tax Credit Act.

The bill changes the name of the act to the Property Tax Relief Act; restates the purpose of the Act to be one of providing property tax relief to homesteads; creates the Property Tax Relief Cash Fund; provides that for tax years after 2008, the property tax relief shall be in the form of a homestead exemption; for tax years 2009 and 2010 the bill exempts from taxation an amount equal to \$13,000; requires that an owner file for the homestead exemption granted by the bill in 2009, but if the owner is granted the exemption no further application is required; and finally the bill requires the transfer of \$115 million from the General Fund to the Property Tax Relief Cash Fund by August 1, 2009 and another transfer of \$115 million by August 1, 2010. The bill contains the emergency clause.

The fiscal impact for this bill assumes that the money now required to be transferred from the General Fund to the newly created Property Tax Relief Cash Fund would have been transferred to the current Property Tax Credit Cash Fund and is included in current budget assumptions.

The above being the case, the impact of LB 13 is an increased net expenditure by the state of \$5,233,000 in FY2009-10. The total expenditure by the state, including the already assumed allocation of \$115,000,000, is \$120,233,000 annually. This is based on 475,250 eligible homeowners at an average tax rate of 1.9461%.

The Department of Revenue estimates the cost to implement LB 13 to be \$21,000 for additional printing expenses.

IMPACT TO POLITICAL SUBDIVISIONS:

There is no fiscal impact to political subdivisions associated with this bill as the state reimburses political subdivisions for the homestead exemption.