

Revised due to adoption of amendment on General File

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2009-10		FY 2010-11	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS			(\$616,540)	
CASH FUNDS			\$616,540	\$616,540
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS			\$0	\$616,540

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

LB 121, as amended by AM663, would require that counties for which the Department of Revenue, Property Assessment Division has previously assumed the assessor function, reassume that responsibility no later than July 1, 2013. A county may reassume the assessor function starting in FY2010-11, with mandatory assumption starting in FY2013-14. Counties would also receive budget and levy limit exclusions for the resumption of the assessor costs for fiscal years beginning with FY2010-11 through FY2013-14.

A county for which the state has assumed the assessor function, and has not reassumed that function, will be billed annually by the Property Tax Administrator during the phase-in period for 25% of the cost for FY2010-11, 50% of the cost for FY2011-12, and 75% of the cost for FY12-13. Starting with FY2013-14, the county assumes the full cost and administration of the assessment function.

There are currently nine counties where the state carries out the assessment function: Dakota, Dodge, Garfield, Greeley, Harlan, Hitchcock, Keith, Saunders, and Sherman.

The bill also provides that employees of the Department of Revenue who are involved with the performance of the county assessment function in their county shall become county employees, with the commensurate transfer of retirement balances, vesting, sick leave, and annual leave from the state system to the county system. The bill requires that the state reimburse the county for 25% of the value of the accrued sick leave and for 100% of the value of the annual leave hours transferred based on the straight-time rate of pay of the employee. The state is required to reimburse the counties and employees no later than December 31, 2012.

With LB 121 as amended, the estimated reimbursement for FY2010-11 would be \$616,540, for FY2011-12 the estimated reimbursement would be \$1,233,080, and for FY12-13 it would be \$1,849,620. The estimates are based on past history of costs incurred by the Property Assessment Division for the operation of the assessment offices in the nine counties under current state supervision.

The Department of Revenue estimates that the cost to implement this legislation would be minimal.