

**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	See Below
CASH FUNDS			See Below	See Below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		See Below	See Below	See Below

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

LB 15 amends the Property Tax Credit Act (Sections 77-77-4209 to 77-4212).

The bill changes the name of the act to the Property Tax Relief; restates the purpose of the act to be one of providing property tax relief to homesteads; changes the name of the cash fund to the Property Tax Relief Cash Fund; provides that for tax years after 2009 the property tax relief shall be in the form of a homestead exemption; requires that an owner file for the homestead exemption granted by the bill in 2010 and that if the owner is granted the exemption no further application is required in subsequent tax years; provides that the Property Tax Administrator shall determine the amount of relief annually based on the appropriations to the Property Tax Relief Cash Fund and is a percentage of the assessed value of the homestead. It is assumed that the percentage applied is to be derived by dividing the amount appropriated by the eligible statewide residential value, that percentage then multiplied by the home value to determine the dollar amount of relief. The bill also provides for a transfer of \$90 million in FY10-11 from the General Fund to the Property Tax Relief Cash Fund by August 1, 2010.

LB 15 also changes the appropriation to the State Department of Education, Program 158, Education Aid. This is aid provided under the Tax Equity and Educational Opportunities Act (TEEOSA).

The Department of Revenue estimates an administrative cost of \$21,000 for homestead program printing expenses.

The fiscal impact of LB 15 is a reduction in General Fund expenditures of \$202,600 for FY2009-10 and 23,600,155 for FY2010-11 due to the decrease in Education Aid.

There would also be a reduction of \$22,000,000 in transfers from the General Fund for FY2010-11 because of the reduction in the amount required to be transferred from the General Fund to the Property Tax Relief Fund.

TECHNICAL NOTE: Changes to Education Aid found in section 8 of LB 15 would require a change to substantive law. Those changes are not included in LB 15.

**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.