

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	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 885 amends Nebraska Revised Statute 77-132 dealing with real property.

The bill adds language providing that in counties with a population over 150,000 inhabitants (Douglas, Sarpy, and Lancaster counties), that two or more vacant or unimproved lots in the same tax district, owned by the same person, and held for sale or resale shall be included in one parcel if the owner so elects. The election is to be made annually by filing an application with the county assessor by an unspecified date.

In addition, the bill adds language requiring the county assessor, when determining the value of such parcels, to utilize the income approach, including the use of a discounted cash-flow analysis.

There is no fiscal impact to the state as result of LB 885.

The Department of Revenue indicates minimal costs to implement the provisions of LB 885.

We agree with the Department of Revenue's estimate of cost.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 855	AM:	AGENCY/POLT. SUB: Douglas County	
REVIEWED BY: Elton Larson		DATE: 1/22/2013	PHONE: 471-4173
COMMENTS: No fiscal impact to Douglas County.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 885	AM:	AGENCY/POLT. SUB: Douglas County Assessor	
REVIEWED BY: Lyn Heaton		DATE: 2/25/2014	PHONE: 402.471.4181
COMMENTS: No basis upon which to disagree with the Douglas County Assessor's analysis.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 885	AM:	AGENCY/POLT. SUB: Lancaster County Assessor	
REVIEWED BY: Lyn Heaton		DATE: 2/25/2014	PHONE: 402.471.4181
COMMENTS: No basis upon which to disagree with NACO's analysis.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 885	AM:	AGENCY/POLT. SUB: NE Assoc. of County Officials (NACO)
REVIEWED BY: Lyn Heaton	DATE: 2/25/2014	PHONE: 402.471.4181
COMMENTS: No basis upon which to disagree with NACO's analysis.		

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

2014

LB⁽¹⁾ 885

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Douglas County Assessor's Office

Prepared by: ⁽³⁾ Michael Goodwillie, Deputy Assessor

Date Prepared: ⁽⁴⁾ 1/22/2014

Phone: ⁽⁵⁾ (402) 444-6703

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Explanation of Estimate: This bill requires a different appraisal methodology for multiple vacant parcels of real property under the same ownership when offered for sale than might be used for single vacant parcels that are not offered for sale. It presents significant equalization issues and would also have the effect of potentially treating properties differently based on their ownership.

From a fiscal standpoint, the bill has the potential to reduce value on vacant properties that are combined for valuation purposes under the bill from what the value the individual parcels would carry if valued individually. In addition, there may be some administrative costs incurred by the assessor's office to process the annual application for the combination of parcels for valuation purposes required by the bill. However, because we do not know how many parcels in the county would potentially be covered by the bill and do not know how many of the owners of those parcels would apply for this valuation treatment, there is no real way to make a meaningful estimate of fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2014

LB⁽¹⁾ 885 Require the use of the income approach to value certain real **FISCAL NOTE**
 property for tax purposes

State Agency OR Political Subdivision Name: ⁽²⁾ Douglas County / Douglas County Assessor's Office

Prepared by: ⁽³⁾ Marcos San Martin, Douglas County Administration
 Date Prepared: ⁽⁴⁾ 1/22/2014
 Phone: ⁽⁵⁾ 402.444.5116

Michael Goodwillie, Chief Deputy Assessor
 402.444.6703

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Explanation of Estimate:

NEGATIVE FISCAL IMPACT TO THE COUNTY, HOWEVER, THE COUNTY IS UNABLE TO PROVIDE AN ACCURATE ESTIMATE OF THE REDUCED AMOUNT. THE POTENTIAL IS LIKELY FOR TWO COMBINED PARCELS TO HAVE A TAXABLE VALUE LESS THAN THE TAXABLE VALUE OF THE PARCELS IF ASSESSED SEPARATELY; THIS WOULD RESULT IN A NEGATIVE FISCAL IMPACT TO COUNTY REVENUES.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	<u>N/A</u>	<u>N/A</u>

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

2014

LB⁽¹⁾ 885

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lancaster County Assessor

Prepared by: ⁽³⁾ Norman H. Agena

Date Prepared: ⁽⁴⁾ January 16, 2014

Phone: ⁽⁵⁾ 402-471-8774

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</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:

Unable to provide any fiscal information, as it is unclear what changes would be necessary on the part of the assessor.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2014

LB⁽¹⁾ 885

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel

Date Prepared: ⁽⁴⁾ 1/15/2014

Phone: ⁽⁵⁾ 402.434.5660,
ext 225

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</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:

LB 885 would require the use of the income approach to value two or more vacant or unimproved lots in the same district and owned by the same person for real property tax purposes in counties above 150,000 populations. The fiscal impact of this bill is indeterminate.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15 EXPENDITURES</u>	<u>2015-16 EXPENDITURES</u>
	<u>14-15</u>	<u>15-16</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____