

LB 397 FISCAL NOTE

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January 24, 1997

	FY 1997-98		FY 1998-99	
	Expenditures	Revenue	Expenditures	Revenue
GENERAL	\$12,000	(see below)	\$12,000	(see below)
CASH				
FEDERAL				
OTHER		see below		see below
TOTAL	\$12,000	\$0	\$12,000	\$0

This bill transfers powers and duties from the State Board of Equalization to the Tax Equalization and Review Commission (TERC), and imposes a penalty for perjury for investigations or hearings conducted by the Property Tax Administrator. It also allows TERC commissioners from the 2nd and 3rd district to receive reimbursements for living and mileage expenses incurred within the performance of their duties (per diems), up to \$6,000 annually per commissioner. The bill creates the Tax Equalization and Review Commission Revolving Fund which will receive funds for appeals and services performed by the TERC and TERC shall only bill for actual costs of performing services.

The provision allowing for per diems could increase expenditures by up to \$12,000 per year. TERC estimates that \$7,200 will be used for travel and \$4,800 will be used for other operating expenses, possibly living expenses.

The provision creating the Tax Equalization and Review Commission Revolving Fund should reduce General Fund expenditures because the TERC will be able to offset some of their General Fund expenditures with Revolving Fund expenditures. However, there will also be a reduction of revenues to the General Fund because under current law the \$25 fee for appeals goes into the General Fund. The amount of this reduction will be dependent on the number of appeals filed with TERC. In 1996, fees for appeals amounted to only about \$7,500, but 1996 was the TERC's first year of operation. In subsequent years, fees for appeals could be much higher, but any estimate is purely speculative at this early date of TERC's existence.

The Department of Revenue estimates no fiscal impact to its operations.

Impact on Local Subdivisions: This bill does not appear to impact local expenditures or revenues.