PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs January 17, 2017 402-471-0051

LB 51

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2017-18		FY 2018-19			
	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 51 amends a number of sections of Nebraska Revised Statutes dealing with the sale of real property for nonpayment of taxes.

Section 19-5217 is amended to provide that a land bank may bid an interest rate in addition to paying taxes, interest and costs due on real property that is being sold for nonpayment of taxes; and eliminates obsolete language.

Section 77-1807 is amended to eliminate obsolete language and change language to provide that the successful bidder is a person who offers to pay taxes, delinquent interest, costs due and who bids the lowest interest rate to be received on redemption of the property. The round-robin format for the sale of property for unpaid taxes is eliminated. In addition, a penalty is provided for any bidder who colludes with another to obtain an interest rate they otherwise wouldn't have obtained. The penalty is the guilty bidder being forever barred from future public auctions in all counties.

Section 77-1824 is amended to specify that interest is first allocated to the purchaser and any remaining interest is then allocated to the county.

Section 77-1825 is amended to include the payment of redemption money to the holder of the certificate and to the county.

There is no fiscal impact to the state as a result of LB 51.

		State Agency	Estimate				
State Agency Name: Department	of Revenue				Date Due LFA:	1/17/2017	
Approved by: Tony Fulton		Date Prepared:	1/17/2017		Phone: 471-5896		
	FY 201	FY 2017-2018		FY 2018-2019		FY 2019-2020	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		\$ 0		\$ 0		\$ 0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$ 0	`	\$ 0		\$ 0	
	<u> </u>						

LB 51 amends certain statutes regarding the collection of real property taxes by sale of real property, such that a person bidding on the real property that allows the most excess interest to be paid will win the bidding.

Section 1 amends Neb. Rev. Stat. § 19-5217 to allow land banks to bid an interest rate, in addition to paying taxes, interests, and costs. The requirement that the land bank apply to the county treasurer for a tax deed is eliminated.

Section 2 deletes obsolete provisions in § 77-1807 and renumbers accordingly. It also recognizes the purchaser to be the person offering to pay the amount of taxes, delinquent interest, costs due and the lowest interest rate to be received. It also eliminates the round-robin format for sales.

Section 3 amends § 77-1812 to include the interest rate to be received by the purchaser as an item the county treasurer displays as a separate column in the tax record.

Section 4 amends § 77-1824 to provide that interest received is allocated first to the purchaser, with any extra interest allocated to the county.

Section 5 amends § 77-1825 to include that the payment of the redemption money to the holder of the certificate and the county treasurer upon return of the certificate.

Section 6 amends § 77-1831 to eliminate the reference to the purchaser, or his or her heirs or assigns, in the right of redemption notice that is required to be sent.

Section 7 amends § 77-1859 to provide that the purchaser is held harmless if the sale is deemed void through payment of the principal paid with the interest at the rate bid by the purchaser.

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	19-20 <u>FTE</u>	17-18 Expenditures	18-19 <u>Expenditures</u>	19-20 Expenditures
Benefits							
Operating Costs							
Capital Outlay							
Aid							
Total							