PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs January 17, 2014 402-471-0051

LB 681

Revision: 00

## **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 681 amends Nebraska Revised Statutes Sections 19-5217 and 77-1807 regarding land banks and sales of tax delinquent real property.

Section 19-5217 is amended to change the time period in which a land bank may apply to the county treasurer for a tax deed or foreclose on the tax lien for the property for which the land bank has acquired a tax sale certificate. Up to January 1, 2015 the time period for the above is six months after the expiration of three years from the date of the tax sale; after January 1, 2015 the time period is changed to nine months.

Section 77-1807 is amended to change the method of conducting delinquent tax sales. The bill provides that if a land bank gives an automatically accepted bid, the land bank is the purchaser and no auction shall be held. If no such bid is given the bill details how the sale will be conducted.

There appears to be no fiscal impact to the state as a result of LB 681.

The Department of Revenue estimates LB 681 to have no fiscal impact to the General Fund and no cost to the Department.

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

## IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials (NACO) and the City of Omaha indicate no fiscal impact.

We agree with their estimate of fiscal impact.

| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES |  |  |                 |                     |  |
|--|--|--|-----------------|---------------------|--|
| LB: 681 AM: AGENCY/POLT. SUB: Revenue  |  |  |                 |                     |  |
| REVIEWED BY: Lyn Heaton  |  |  | DATE: 1/17/2013 | PHONE: 402.471.4181 |  |
| COMMENTS: Concur. No fiscal impact on the Department of Revenue.                       |  |  |                 |                     |  |

| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES |          |  |                 |                            |  |  |
|--|----------|--|-----------------|----------------------------|--|--|
| LB: 681 AM: AGENCY/POLT. SUB: NACO   |          |  |                 |                            |  |  |
| REVIEWED BY: Ly  | n Heaton |  | DATE: 1/16/2013 | PHONE: <u>402.471.4181</u> |  |  |
| COMMENTS: Concur. Minimal fiscal impact.   |          |  |                 |                            |  |  |

|                               |                     | State Agency   | Estimate     |               |                 |           |
|-------------------------------|---------------------|----------------|--------------|---------------|-----------------|-----------|
| State Agency Name: Department | of Revenue          |                |              |               | Date Due LFA:   | 1/15/2014 |
| Approved by: Kim Conroy       |                     | Date Prepared: | 1/14/2014    |               | Phone: 471-5896 |           |
|                               | FY 2014             | <u>4-2015</u>  | FY 201:      | <u>5-2016</u> | FY 20           | 16-2017   |
|                               | <b>Expenditures</b> | Revenue        | Expenditures | Revenue       | Expenditures    | Revenue   |
| General Funds                 |                     | \$ 0           |              | \$ 0          |                 | \$ 0      |
| Cash Funds                    |                     |                |              |               |                 |           |
| Federal Funds                 |                     |                |              |               |                 |           |
| Other Funds                   |                     |                |              |               |                 |           |
| Total Funds                   |                     | \$ 0           |              | \$ 0          |                 | \$ 0      |
|                               |                     |                |              | ·             |                 |           |

LB 681 changes the amount of time a land bank has to apply for a tax lien or foreclose on a lien of tax sale certificate from six months after the expiration of three years to nine months after the expiration of three years from the date of sale of real property for nonpayment of taxes beginning in 2015.

LB 681 also changes how delinquent tax sales are conducted beginning in 2015. If a land bank gives an automatically accepted bid, the land bank is the purchaser and no auction will be held. If no automatically accepted bid is given by a land bank, the person who offers to pay the full amount is the purchaser. LB 681 prescribes a 'round-robin' format for conducting sales using a lottery form of determining the order of bidding by registered bidders. After each round, later arrivals can draw numbers for the order in which they will be added to the bidding process. The sale continues until the property is sold or all bidders have 'passed' on the opportunity to make a purchase. If a property remains unsold, the county can sell at a private sale.

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

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

| Major Objects of Expenditure |                      |                     |                     |                     |                       |                       |                       |
|------------------------------|----------------------|---------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|
| Class Code                   | Classification Title | 14-15<br><u>FTE</u> | 15-16<br><u>FTE</u> | 16-17<br><u>FTE</u> | 14-15<br>Expenditures | 15-16<br>Expenditures | 16-17<br>Expenditures |
|                              |                      |                     |                     |                     |                       |                       |                       |
|                              |                      |                     |                     |                     |                       |                       |                       |
|                              |                      |                     |                     |                     |                       |                       |                       |
|                              |                      |                     |                     |                     |                       |                       |                       |
| Operating Costs              |                      |                     |                     |                     |                       |                       |                       |
| Travel                       |                      |                     |                     |                     |                       |                       |                       |
| Capital Outlay               |                      |                     |                     |                     |                       |                       |                       |
| Aid                          |                      |                     |                     |                     |                       |                       |                       |
| Capital Improvements         |                      |                     |                     |                     |                       |                       |                       |
|                              |                      |                     |                     |                     |                       |                       |                       |

| <b>LB</b> <sup>(1)</sup> 681                |   |                           | FISCAL NOTE              |  |  |  |  |  |
|---|---|---------------------------|--------------------------|--|--|--|--|--|
| State Agency OR Political Subdivision Name: | Nebraska Association of County Officials (NACO) |                           |                          |  |  |  |  |  |
| Prepared by: (3) Elaine Menzel              | Date Prepared: (4)                              | 1/13/2014 Phone: (        | 402.434.5660,<br>ext 225 |  |  |  |  |  |
| ESTIMATE PRO                                | OVIDED BY STATE AGENO                           | CY OR POLITICAL SUBDIVIS  | SION                     |  |  |  |  |  |
|   | FY 2014-15                                      | FY 20                     |                          |  |  |  |  |  |
| EXPENDITUI                                  | <u>RES</u> <u>REVENUE</u>                       | <u>EXPENDITURES</u>       | <u>REVENUE</u>           |  |  |  |  |  |
| GENERAL FUNDS                               | <del></del>                                     | <del></del>               |                          |  |  |  |  |  |
| CASH FUNDS                                  | <u> </u>  | <u> </u>                  |                          |  |  |  |  |  |
| FEDERAL FUNDS                               |   |                           |                          |  |  |  |  |  |
| OTHER FUNDS                                 |   |                           |                          |  |  |  |  |  |
| TOTAL FUNDS                                 |   |                           |                          |  |  |  |  |  |
| <b>Explanation of Estimate:</b>             |   |                           |                          |  |  |  |  |  |
| The fiscal impact would be minimal.         |   |                           |                          |  |  |  |  |  |
|   |   |                           |                          |  |  |  |  |  |
| nnr   | AVDOWN BY MAJOR OR                              |                           |                          |  |  |  |  |  |
| Personal Services:                          | AKDOWN BY MAJOR OBJ                             | ECTS OF EXPENDITURE       |                          |  |  |  |  |  |
| POSITION TITLE                              | NUMBER OF POSITIONS  14-15 15-16                | S 2014-15<br>EXPENDITURES | 2015-16<br>EXPENDITURES  |  |  |  |  |  |
|   |   |                           |                          |  |  |  |  |  |
| Benefits                                    |   | -                         |                          |  |  |  |  |  |
| Operating                                   |   |                           |                          |  |  |  |  |  |
| Travel                                      |   |                           |                          |  |  |  |  |  |
| Capital outlay                              |   |                           |                          |  |  |  |  |  |
| Aid   |   |                           |                          |  |  |  |  |  |
| Capital improvements                        |   |                           |                          |  |  |  |  |  |
| TOTAL                                       |   |                           |                          |  |  |  |  |  |

| LB <sup>(1)</sup> 681 FISCAL NOTE   |   |                               |                         |  |  |  |  |  |
|---|---|-------------------------------|-------------------------|--|--|--|--|--|
| State Agency OR Political Subdivision Name: (4                            | City of Omaha                               | City of Omaha                 |                         |  |  |  |  |  |
| Prepared by: (3) Sheri Larsen   | Date Prepared: (4)                          | 01/15/2014 Phone: 0           | 5) 402-444-5477         |  |  |  |  |  |
| ESTIMATE PRO  | VIDED BY STATE AGE                          | NCY OR POLITICAL SUBDIV       | ISION                   |  |  |  |  |  |
| F   | Y 2014-1 <u>5</u>                           | FY 20                         | 15-16                   |  |  |  |  |  |
| EXPENDITURI   |   | <u>EXPENDITURES</u>           | REVENUE                 |  |  |  |  |  |
| GENERAL FUNDS   |   |                               |                         |  |  |  |  |  |
| CASH FUNDS  |   |                               |                         |  |  |  |  |  |
| FEDERAL FUNDS   | _   |                               |                         |  |  |  |  |  |
| OTHER FUNDS   |   |                               |                         |  |  |  |  |  |
| TOTAL FUNDS   |   |                               |                         |  |  |  |  |  |
| Explanation of Estimate: The fiscal impact of LB 681 on the City of time. | Omaha would be minimal  AJOR OBJECTS OF EXP |                               | e determined at this    |  |  |  |  |  |
| Personal Services:  | THOR OBULCTS OF EM                          | ENDITORE                      |                         |  |  |  |  |  |
| POSITION TITLE  | NUMBER OF POSITION  13-14  14-15            | S 2013-14 <u>EXPENDITURES</u> | 2014-15<br>EXPENDITURES |  |  |  |  |  |
| Benefits  |   |                               |                         |  |  |  |  |  |
| Operating   |   |                               |                         |  |  |  |  |  |
| Travel  |   |                               |                         |  |  |  |  |  |
| Capital outlay  |   |                               |                         |  |  |  |  |  |
| Aid   |   |                               |                         |  |  |  |  |  |
| Capital improvements  |   |                               |                         |  |  |  |  |  |
| TOTAL   |   |                               |                         |  |  |  |  |  |