PREPARED BY: DATE PREPARED: PHONE: Nikki Swope March 14, 2024 402-471-0042

LB 1120

Revision: 01

FISCAL NOTE

As amended to date

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF	ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
	FY 202	24-25	FY 20	25-26		
	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 1120 creates a requirement of an affidavit to demonstrate that the conveyance of property in a restricted area is not affiliated with any foreign government or nongovernment person considered to be a foreign adversary by federal regulations. The definition of a restricted area is a county that does not contain a city of the primary class or a city of the metropolitan class and lies within a ten-mile radius of a military installation. The signed affidavit must be submitted to the register of deeds of the county in which the real property is located.

LB 1120 requires the Tax Commissioner to create a form to be used by the register of deeds for computing documentary stamp tax. The form must include questions regarding whether the affidavit, as defined in this bill, is required for the transfer and if the affidavit has been completed.

AM 2519 changes terms, provides an example of the affidavit language and adds a requirement that the copy of the affidavit be submitted to the Attorney General.

AM 2952 includes the language "No title or interest 2 in land shall be invalid, unmarketable, or subject to divestiture for a violation of this section.".

No fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 1120 AM: AGENCY/POLT. SUB: Department of Revenue					
REVIEWED BY: Ryan Walton		DATE: 2/8/2024	PHONE: (402) 471-4174		
COMMENTS: The Department of Revenue's assessment of no fiscal impact from LB 1120 appears reasonable.					

				State Agency Estimate					
venue				Date Due LFO:					
	Date Prepared:	02/07/2024		Phone: 471-5896					
FY 2024-2025		FY 2025-2026		FY 2026-2027					
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue				
	\$ 0		\$ 0		\$ 0				
	\$ 0		\$ 0		\$ 0				
		Date Prepared: FY 2024-2025 Expenditures Revenue \$ 0	Date Prepared: 02/07/2024 FY 2024-2025 Expenditures Revenue \$ 0 Expenditures	Date Prepared: 02/07/2024 FY 2024-2025 FY 2025-2026 Expenditures Revenue \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$	Date Prepared: 02/07/2024 Phone: 471-5896				

LB 1120 creates a requirement of a completed and signed affidavit whenever there is a conveyance of real property which any part is located within a restricted area. LB 1120 defines restricted area as (1) a county that does not contain a city of the primary class or a city of the metropolitan class and (2) within a ten-mile radius of a military installation.

The affidavit must state the purchaser is not affiliated with any foreign government or nongovernment person considered to be a foreign adversary by federal regulations. The affidavit must be submitted to the register of deeds of the county in which the real property is located. The register of deeds cannot record any instrument reflecting such conveyance until they have received the necessary affidavit.

LB 1120 requires the Tax Commissioner to create a form to be used by the register of deeds for computing documentary stamp tax. The form must include a question asking whether the newly required affidavit is required for the transfer and whether the required affidavit has been completed.

The operative date for LB 1120 is three months after enactment.

It is estimated that LB 1120 will have no impact on General Fund revenues.

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

Major Objects of Expenditure							
Class Code	Classification Title	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures
Benefits							
Operating Costs	Operating Costs						
Travel							
Capital Outlay.							
	s						
Total							