

Revised due to amendments adopted through 4/3/2013.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
TRUST FUNDS	See below		See below	
TOTAL FUNDS				

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

Under LB 57, whenever the Environmental Trust Board receives a grant application from a non-public grantee that proposes to use the grant proceeds to purchase real property that will at any time be sold or transferred to a federal land management agency, the Board shall require the grant application to provide for the replacement of any decrease in property taxes received by the affected county. Tax replacement methods include but are not limited to payments in addition to in lieu of taxes paid and the establishment of a permanent endowment fund. If the grantee's application includes a request for additional Environmental Trust Fund dollars to take care of the replacement of property tax revenue it will reduce the amount of funding available for the Trust's typical grants, but will not impact the overall expenditures from the Trust Fund since the amount of money available to spend is unchanged.

For illustration, the Game and Parks Commission has indicated that there are five tracts of land purchased with grant funding that at some point will likely be transferred to the U.S. Fish and Wildlife Service and the National Park Service. In this case they estimate that \$375,000 would need to be deposited into a permanent endowment fund if this is the method chosen to generate replacement tax revenue. Please see the attached fiscal note from the Commission for more details.

Other provisions of LB57 establish a process to be followed if a non-public grantee uses grant funding from the Environmental Trust Fund to purchase real property and subsequently seeks to sell or transfer such property. This process includes contract language requirements, notice requirements and timelines to be adhered to in order to get approval from the Environmental Trust Board to execute the transaction. These provisions should not have a fiscal impact.

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

2013

LB⁽¹⁾ 57 FISCAL NOTE ER 36

State Agency OR Political Subdivision Name: (2) Nebraska Game and Parks (Environmental Trust)

Prepared by: (3) Mark Brohman Date Prepared: (4) 4/8/2013 Phone: (5) 1-5523

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

The proposed legislation as amended establishes additional approvals and grant requirements for nonpublic grant applications associated with the acquisition of and potential sale or transfer of real property with grant funds.

Section 7 pertains to grant funded purchases by nonpublic grantees that would subsequently be transferred to a federal land management agency resulting in the removal of the land from the tax rolls. It would require providing for the replacement of property taxes to the affected county. Tax replacement methods are suggested which could include the establishment of a permanent endowment fund. It is anticipated that some grant requests would include an additional amount necessary to fulfill this requirement.

Based on history, Board approved grants have given rise to the transfer of one property every 6.5 years to a federal land management agency. These transfers have averaged 226 acres in size (average 35 acres per year). Assuming an estimated value of \$6,640/acre (current land values) and taxes of \$30/ac/year, an account would have to be established that would generate \$1,050 (\$30 x 35 acres) annually. At a 4% rate of return, at least \$26,250 would need to be invested annually. With the current rate closer to 2%, an annual investment of \$52,500 would be needed. This is an 'annualized' rate to match historic trends. Actual amounts would depend on the actual affected property within a given year.

Currently there are five tracts of land (498.69 acres) that will likely be transferred to the US Fish and Wildlife Service and National Park Service, although there is no definitive time frame. Under the proposed legislation, if these grants had been subject to the new requirements and they all passed to the federal agency in one year, an additional \$375,000 would have been required (498.69 acres x \$30/acre/yr with 4% rate of return).

Section 8 requires, in the contract between the board and a nonpublic grantee, prior written board approval before they sell, transfer, or exchange, unless approved in the original grant. The grantee must provide details 30 days in advance of the next scheduled board meeting, but section 9 allows a special meeting of the trust by telephone conference call or videoconference. No minimum time was set for such a meeting that could be held in less than the 30 days required in section 8. But the board must approve or deny request within 45 days or such request is deemed approved. Neither section 8 or 9 appear to have a fiscal impact to the agency, except a special meeting held in addition to the four quarterly scheduled board meetings will have associated costs (reimbursement of citizen board members for actual expenses like travel, food and lodging). Costs of compiling material for the meeting should be minimal.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____

Operating	_____	_____
Travel	_____	_____
Capital outlay	_____	_____
Aid	_____	_____
Capital improvements	_____	_____
TOTAL	_____	_____