

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$82,703		\$126,275	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$82,703		\$126,275	

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

LB1301 adds conditions to the right of an alien not residing within the United States or its territories to take either real or personal property, allows for a receiver to be appointed by the district court in an action under the Foreign-owned Real Estate National Security Act, allows a person to be disqualified to take as an heir if provided for in the Foreign-owned Real Estate National Security Act, and creates the Foreign-owned Real Estate National Security Act. The Foreign-owned Real Estate National Security Act does the following:

- Sets definitions;
- Bans a nonresident alien who is not a citizen or national of the United States, a foreign corporation, or a foreign government, its states, or its political subdivisions from purchasing, acquiring title to, taking, or holding real property or holding a lease greater than five years;
- Requires the Department of Agriculture to investigate violations under the act and requires the Department to refer violations to the Attorney General or retain outside counsel;
- Allows for any person to notify the Department of Agriculture or the Attorney General of a violation or potential violation of the act;
- Allows for an action for divestment to be filed by the Attorney General or retained outside counsel, describes the filing location, describes the copy of the petition to be served;
- Requires the Attorney General or retained outside counsel to make discovery related to fraudulent financial statements;
- Requires the respondent to file an answer within thirty days after service of process being made;
- Grants the court power to hear and determine the questions presented in such case and to declare such real estate to be divested;
- Authorizes the proceeds of the divestment in the following ways:
 - o The payment of all costs related to the sale;
 - o Reimbursement of costs to the Attorney General or outside counsel;
 - o Lien holders;
 - o 30% of the remaining balance post fees and reimbursements to the person who notified either the Department of Agriculture or Attorney General;
 - o Remainder to be remitted to the State Treasurer for distribution in accordance with Article VII, section 5 of the Nebraska state constitution.
- Allows for the court to terminate a lease;
- Should real estate be escheated to the state, the Department of Administrative Services shall sell such real estate at public auction;
- Allows nonresident aliens but bans a restricted entity from purchasing, acquiring, and holding title to or be a lessor or lessee of as much real estate as shall be necessary for the purpose of erecting thereon manufacturing or industrial establishments;
- Restricts the Foreign-owned Real Estate National Security Act from applying within the corporate limits of cities and villages, or within three miles thereof, no to any manufacturing or industrial establishment;
- Requires the Attorney General to establish a process to have concerns submitted;
- Allows the Attorney General to submit a memorandum or report concerning non-notified real estate transactions that have been identified;
- Requires the Attorney General to retain a copy of any documents submitted to the Committee on Foreign Investment in the United States and notify the Legislature and the Governor as soon as practicable after submitting the documents; and
- Requires the Real Estate Commission to compile a map identifying all restricted areas in this state on or before January 1, 2025 and describes the map.

Concur with the Department of Agriculture that fiscal impact is largely dependent upon need to retain outside counsel, fiscal impact provided by the Department appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1301	AM:	AGENCY/POLT. SUB: Supreme Court
REVIEWED BY: Ryan Walton	DATE: 1/29/2024	PHONE: (402) 471-4174
COMMENTS: The Supreme Court's assessment of indeterminate fiscal impact from LB 1301 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1301	AM:	AGENCY/POLT. SUB: State Treasurer
REVIEWED BY: Ryan Walton	DATE: 1/23/2024	PHONE: (402) 471-4174
COMMENTS: The State Treasurer's assessment of no fiscal impact from LB 1301 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1301	AM:	AGENCY/POLT. SUB: Attorney General
REVIEWED BY: Ryan Walton	DATE: 1/25/2024	PHONE: (402) 471-4174
COMMENTS: The Attorney General's assessment of no fiscal impact from LB 1301 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1301	AM:	AGENCY/POLT. SUB: Department of Agriculture
REVIEWED BY: Ryan Walton	DATE: 1/31/2024	PHONE: (402) 471-4174
COMMENTS: The Department of Agriculture's assessment of fiscal impact from LB 1301 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1301	AM:	AGENCY/POLT. SUB: Military Department
REVIEWED BY: Ryan Walton	DATE: 1/25/2024	PHONE: (402) 471-4174
COMMENTS: The Military Department's assessment of no fiscal impact from LB 1301 appears reasonable.		

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

2024

LB⁽¹⁾ 1301

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Military Department- Agency 31

Prepared by: ⁽³⁾ Patrick Briggs Date Prepared: ⁽⁴⁾ Jan 19, 2024 Phone: ⁽⁵⁾ 402-429-1457

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$0</u>	<u></u>	<u>\$0</u>	<u></u>
CASH FUNDS	<u>\$0</u>	<u></u>	<u>\$0</u>	<u></u>
FEDERAL FUNDS	<u>\$0</u>	<u></u>	<u>\$0</u>	<u></u>
OTHER FUNDS	<u>\$0</u>	<u></u>	<u>\$0</u>	<u></u>
TOTAL FUNDS	<u>\$0</u>	<u></u>	<u>\$0</u>	<u></u>

Explanation of Estimate:

The Military Department does not estimate any fiscal impact as this legislation does not propose any additional duties for the department.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
<u>N/A</u>	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>
<u>Benefits.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Operating.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Travel.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Capital outlay.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Aid.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>Capital improvements.....</u>	<u></u>	<u></u>	<u></u>	<u></u>
<u>TOTAL.....</u>	<u></u>	<u></u>	<u></u>	<u></u>

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2024

LB⁽¹⁾ 1301

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ Jan. 22, 2024 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB 1301 to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2024

LB⁽¹⁾ 1301

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Attorney General

Prepared by: ⁽³⁾ Joshua Shasserre Date Prepared: ⁽⁴⁾ 1/24/2024 Phone: ⁽⁵⁾ 402-471-2687

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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2024

LB⁽¹⁾ 1301

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Agriculture

Prepared by: ⁽³⁾ Ashley Dempsey Date Prepared: ⁽⁴⁾ 1/29/2024 Phone: ⁽⁵⁾ 402-429-2487

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$82,703</u>	<u> </u>	<u>\$126,275</u>	<u> </u>
CASH FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FEDERAL FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER FUNDS	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUNDS	<u><u>\$82,703</u></u>	<u> </u>	<u><u>\$126,275</u></u>	<u> </u>

Explanation of Estimate:

LB1301 provides duties to the department to investigate violations of the Foreign-owned Real Estate National Security Act. The complexity of real estate transactions and level of expertise required to investigate potential violations would require an Attorney III. The department believes attempting to fill the position prior to the operational date of January 1, 2025, is important as to not delay investigations. For this reason, the request reflects a .75 FTE rather than a .5 FTE in FY2024-25.

The department is to refer violations to the Attorney General or retain outside legal counsel for enforcement of the act. It is unknown if enforcement will be carried out by the Attorney General. The cost to retain outside legal representation for this purpose is currently indeterminable and any attempt to estimate such costs may unnecessarily inflate the fiscal impact. The first half of calendar year 2025 will be used to determine workload requirements, level of effort for litigation and find appropriate outside legal counsel. The department will submit a deficit request in 2025 if retaining outside legal representation is necessary.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Attorney III	<u>.75</u>	<u>1.0</u>	<u>\$56,625</u>	<u>\$79,275</u>
Benefits.....			<u>\$18,578</u>	<u>\$32,000</u>
Operating.....			<u>\$7,500</u>	<u>\$15,000</u>
Travel.....			<u> </u>	<u> </u>
Capital outlay.....			<u> </u>	<u> </u>
Aid.....			<u> </u>	<u> </u>
Capital improvements.....			<u> </u>	<u> </u>
TOTAL.....			<u><u>\$82,703</u></u>	<u><u>\$126,275</u></u>

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2024

LB⁽¹⁾ 1301

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ 05 Supreme Court

Prepared by: ⁽³⁾ Eric Asboe Date Prepared: ⁽⁴⁾ 1/29/2024 Phone: ⁽⁵⁾ 402-326-9215

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

Minimal fiscal impact to provide judicial education. Although not estimated to be significant, any potential impact on judicial workload from an increase in cases cannot be determined at this time. No additional resources required.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____