

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	\$7,500,000		\$7,500,000	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$7,500,000</b>		<b>\$7,500,000</b>	

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

LB394 changes provisions relating to eminent domain and the damages a condemner shall pay if they take land for public use. The damages for non-agricultural land would include: the fair market value of the condemned property, reasonable severance damages, and abstracting expenses of the condemnee. The damages for agricultural land would include: twice the fair market value of the condemned property, reasonable severance damages, and abstracting expenses of the condemnee. In addition, severance damages for agricultural land would include the replacement costs for any dwellings, garages, sheds, barns, wells, septic systems, fences or other permanent structures. This bill contains an emergency clause.

Expenditures:

The Nebraska Department of Transportation has indicated If LB 394 is enacted, right-of-way expenses for the acquisition of agricultural land will have a fiscal impact of \$7,500,000 in both FY2023-24 and FY2024-25.

The Nebraska Association of County Officials has stated LB394 would likely cause counties to pay double the damages when using eminent domain for agricultural land. The fiscal impact to counties is unknown at this time.

The Nebraska Department of Administrative Services – State Building Division and the Nebraska Real Property Appraiser Board have both specified no fiscal impact from LB394.

The estimated fiscal impact to Nebraska Department of Transportation above seems reasonable. There is no basis to disagree with the estimates provided by the Nebraska Association of County Officials, the Nebraska Department of Administrative Services – State Building Division, nor the Nebraska Real Property Appraiser Board.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 394	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY: Jacob Leaver	DATE: 1/24/2023	PHONE: (402) 471-4173	
COMMENTS: The Nebraska Association of County Officials' estimated indeterminable fiscal impact seems reasonable as a result of LB 394.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 394	AM:	AGENCY/POLT. SUB: Dept. of Administrative Services – State Building Division	
REVIEWED BY:	Jacob Leaver	DATE: 1/25/2023	PHONE: (402) 471-4173
COMMENTS: The Department of Administrative Services – State Building Division's estimate of no fiscal impact to the agency as a result of LB 394 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 394	AM:	AGENCY/POLT. SUB: Nebraska Real Property Appraiser Board	
REVIEWED BY:	Jacob Leaver	DATE: 1/18/2023	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Nebraska Real Property Appraiser Board's estimated no fiscal impact to the board as a result of LB 394.			

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

**2023**

**LB<sup>(1)</sup> 394**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Association of County Officials (NACO)

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/24/2023 Phone: <sup>(5)</sup> 402.434.5660

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB394 would outline the process for determining damages under eminent domain. Determination of damages for property that is not agricultural land and is to be used following eminent domain procedures, the damages would be calculated by including:(i) The fair market value of the condemned property;(ii) Reasonable severance damages; and (iii) The condemnee's abstracting expenses.

For agricultural land, the damages include: (i) Two times the fair market value of the condemned property;(ii) Reasonable severance damages; and iii) The condemnee's abstracting expenses. Further, for agricultural land, severance damages are defined to include the replacement cost for any of the following located on the condemned property: Dwellings, garages, sheds, barns, wells, septic systems, fences, and any other permanent structures.

Counties currently use eminent domain procedures for purposes, including, but not limited to: real estate for the public use of the county, county road purposes, flood control, placement of historic markers or monuments.

The fiscal impact is unknown; however, it is anticipated it would be doubled when damages are for agricultural land.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

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

**2023**

**LB<sup>(1)</sup> 394**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Administrative Services (DAS) – State Building Division (SBD)

Prepared by: <sup>(3)</sup> Michelle Potts Date Prepared: <sup>(4)</sup> 1/19/2023 Phone: <sup>(5)</sup> 531-207-9029

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
REVOLVING FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

**Explanation of Estimate:**

LB 394 would change the respective damages for land taken by eminent domain. The bill specifically identifies damages for agricultural land vs. property other than agricultural land.

This would be a rare occurrence for the Department of Administrative Services.

There is no fiscal impact to the Department of Administrative Services – State Building Division (DAS – SBD).

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2023**

**LB<sup>(1)</sup> 394**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Real Property Appraiser Board

Prepared by: <sup>(3)</sup> Tyler Kohtz Date Prepared: <sup>(4)</sup> January 17, 2023 Phone: <sup>(5)</sup> 402-471-9025

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	0	0	0	0
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

This bill will have no fiscal impact on the Nebraska Real Property Appraiser Board.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	0	0
Operating.....	_____	_____	0	0
Travel.....	_____	_____	0	0
Capital outlay.....	_____	_____	0	0
Aid.....	_____	_____	0	0
Capital improvements.....	_____	_____	0	0
TOTAL.....	_____	_____	0	0

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

**2023**

**LB<sup>(1)</sup> 394**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Transportation

Prepared by: <sup>(3)</sup> Liza Alderman Date Prepared: <sup>(4)</sup> 2/16/23 Phone: <sup>(5)</sup> 402-479-4692

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	\$7,500,000		\$7,500,000	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$7,500,000</u>		<u>\$7,500,000</u>	

**Explanation of Estimate:**

LB 394 proposes severance damages for any condemner who has taken or attempts to take property for public use. The bill states damages for property other than agricultural land shall include (i) the fair market value of the condemned property, (ii) reasonable severance damages and (iii) the condemnee’s abstracting expenses. In addition, damages for agricultural land shall include (i) two times the fair market value of the condemned property, (ii) reasonable severance damages and (iii) the condemnee’s abstracting expenses. The bill also states for agricultural land, severance damages shall include the replacement cost for any of the following located on the condemned property: dwellings, garages, sheds, barns, wells, septic systems, fences, and any other permanent structures.

If LB 394 is enacted, Nebraska Department of Transportation estimates right-of-way expenses for the acquisition of agricultural land will have a fiscal impact for FY2023-24 and FY2024-25 of \$7,500,000 each year.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....			\$7,500,000	\$7,500,000
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>				