

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	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 577 seeks to add the property’s situs address and property owner’s billing address to what needs to be included to describe the property in the list made out by the county treasurer of all real property subject to sale and the amount of all delinquent taxes against each item with an accompanying notice.

LB 577 would add duties for the county treasurer and county sheriff (or authorized person) to send the list of real property subject to sale and notices regarding property via mail or serve them through personal or residence service. Affidavits of the publication of lists and notices would be required and also carefully preserved by the county treasurer. The county sheriff, or authorized person, serving the notice would be entitled to the statutory fee prescribed in section 33-117. As part of the notice process, the county treasurer would cause a title search to be conducted by a registered abstractor.

The bill also adds that at any time within 9 months after the expiration of 3 years after the date of sale of any real estate for taxes or special assessments, if such real estate has not been redeemed and the assessed value of the real estate is less than the redemption amount, the purchaser or his or her assignee could apply to the county treasurer for a tax deed for the real estate. The bill also adds assessments of the real estate that are needed by third parties to confirm that the assessed value of the real estate is less than the redemption amount in order for the county treasurer to execute and deliver a deed of conveyance for the real estate. Finally, LB 577 adds that if the assessed value of the real estate is higher than the redemption amount, then the purchaser or his or her assignee shall foreclose the lien.

This bill would become operative on January 1, 2024.

The Department of Revenue (DOR) estimates no impact on General Fund revenues and no cost to it to implement the bill. There is no basis to disagree with this estimate.

Counties are estimated to see additional costs for mailings, personal or residence service, title searches, technology changes to meet the requirements of the bill, and additional staff. The degree of fiscal impact would vary by county. The collected fee for county sheriffs for personal or residence service would go to each county’s General Fund.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 577	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Jacob Leaver	DATE: 3/20/2023	PHONE: (402) 471-4173	
COMMENTS: The Department of Revenue’s estimate of no fiscal impact to the agency as a result of LB 577 seems reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 577	AM:	AGENCY/POLT. SUB: Lancaster County Sheriff	
REVIEWED BY:	Jacob Leaver	DATE: 1/25/2023	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Lancaster County Sheriff's estimated fiscal impact to the office as a result of LB 577.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 577	AM:	AGENCY/POLT. SUB: Lancaster County Treasurer	
REVIEWED BY:	Jacob Leaver	DATE: 1/26/2023	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Lancaster County Treasurer's estimated fiscal impact to the county as a result of LB 577.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 577	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials (NACO)	
REVIEWED BY:	Jacob Leaver	DATE: 1/31/2023	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Nebraska Association of County Officials' estimate of indeterminable fiscal impact as a result of LB 577.			



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

**2023**

**LB577<sup>(1)</sup>**

*To change provisions relating to the notification of delinquent property taxes and the issuance of treasurer's tax deed*

**FISCAL NOTE**  
**\*\*SUPPLEMENT TO**  
**(ADDITION TO)**  
**1/31 FN**

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State Agency OR Political Subdivision Name: <sup>(2)</sup> DOUGLAS COUNTY, NEBRASKA SHERIFF'S OFFICE

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Prepared by: <sup>(3)</sup> Captain William M. Rinn,  
 Douglas County Sheriff's Office  
 Marcos San Martin,  
 County Administration

Date Prepared: <sup>(4)</sup> 2/8/2023

Phone: <sup>(5)</sup> 402-444-7976  
402-444-5116

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**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	_____	_____	_____	_____
TOTAL FUNDS	<u>≈\$144,000 RECURRING ANNUAL</u>	<u>N/A</u>	<u>≈\$144,000 RECURRING ANNUAL</u>	<u>N/A</u>

Explanation of Estimate:

**\*\*SUPPLEMENT TO 1/31 FN**

**NEGATIVE (DETRIMENTAL) FISCAL IMPACT TO DOUGLAS COUNTY**

- 1. 11 CPS I's & CPS II's wages are \$45.00 per hour at 1320 hours (3 weeks) = \$ 59,400.00
  - 2. 3 LET II's wages are \$45.00 per hour at 360 hours (3 weeks) = \$ 48,600.00
  - 3. Mileage per paper cost is .68.5 at 8 miles per paper and 4,000 papers = \$ 21,920.00
  - 4. Maintenance on the 11 CPS I & II vehicles = \$ 11,000.00
  - 5. Soft Code License = \$ 1,500.00
  - 6. Contact Cards (4,000) = \$ 500.00
  - 7. Miscellaneous Items (Pens, paper, Ink, Staples) = \$ 500.00
- Total Estimated Cost** **\$143,420.00**

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

2023

**LB577**<sup>(1)</sup> *To change provisions relating to the notification of delinquent property taxes and the issuance of treasurer's tax deed*

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> DOUGLAS COUNTY, NEBRASKA-TREASURER'S OFFICE (REVISED 3-22-2023)

Prepared by: <sup>(3)</sup> Amy Wyman, Treasurer's Office	Date Prepared: <sup>(4)</sup> 1/31/2023	Phone: <sup>(5)</sup> 402-444-4986
Marcos San Martin, County Administration		402-444-5116

**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	_____	_____	_____	_____
TOTAL FUNDS	<u>\$600,000</u>	<u>N/A</u>	<u>\$300,000 RECURRING ANNUAL</u>	<u>N/A</u>

Explanation of Estimate:

**NEGATIVE (DETRIMENTAL) FISCAL IMPACT TO DOUGLAS COUNTY**

The revisions proposed by LB577 will result in additional cost mandates to the County of \$600,000 in the initial implementation year and an estimated recurring \$300,000 on an on-going basis.

Specific estimates are shown below. \*\*These do not include the current cost to operate the tax sale and does not include potential new costs from the Sheriff's Office.

The proposed changes in LB577 will result in on-going cost to Douglas County and/or the taxpayers. LB577 section 1. Section §77-1802, requires the County to spend extra taxpayer money to publish the list of delinquent properties by adding the situs address and the property owner's billing address along with what the County is currently providing: the parcel number, property address or Sec.Twn. Range and amount. Douglas County's cost last year for publication was \$13,959.24. The cost of publication to add these changes proposed would double in price which would estimate the cost of publication to be around \$30,000. Douglas County currently provides a list of this proposed information located in the Treasurer's Office. Publishing this information does not provide the delinquent taxpayer with any other protection.

LB577 section 2, section §77-1804 (3) (4) (5) (6) charges the county with performing an incredible amount of work to provide taxpayers with many notices including being served by personal or residence service (Sheriff's Office) for the taxpayers not paying their taxes. In 2022 Douglas County had around 3,700 properties that went to public tax sale. Delinquent taxpayers do receive a curtesy notices to notify them of their unpaid taxes (not statute) and they do receive a statement with a special message box providing notification of delinquent taxes and/or tax liens (per state statute §77-1701). State statute §77-1701 also states "Failure to receive the statement or notice shall not relieve the taxpayer from any liability to pay such taxes or special assessments and any interest or penalties accrued thereon" The Treasurer's Offices are to collect the taxes to provide revenue for the County and other entities to be able to use to operate not to increase expenses to the County. Assessing a cost of the mailing of an

invitation to pay delinquent taxes to each taxpayer whom is delinquent, is not doing any benefit to the collection of taxes due for the payment of taxes that has not been paid by these delinquent taxpayers.

Currently Douglas County has an old system and the cost of programming for a fee for these mailings is not feasible and would provide a significant fiscal impact. This proposed legislation is requiring the Treasurer's Offices to do what is expected in a deed or foreclosure process. The advertising of the taxes for sale does not transfer ownership or title of the property, so notification as proposed in the LB577 is not necessary. The delinquent taxpayer whose taxes have been sold in the public tax sale, as mentioned, do not transfer ownership to the purchaser of these tax liens at the time of purchase and per state statute §77-1837(current treasurer's tax deed) and §77-1902 (foreclosure) the delinquent taxpayer with a tax lien has within nine months after the expiration of three years after the date of the sale to pay their taxes before the process of ownership transfer would happen. This is the time when all of the notification proposed in this legislation for LB577 should be submitted by the purchaser of the tax lien. Requiring the Treasurer's Offices to abide by these changes would be an additional cost with no extra benefit to the collection of taxes to the County and/or taxpayers. The Sheriff's Office would also have to serve these taxpayers with the notices per LB577, which is not be practical in three weeks prior to the date of the sale due to there being around 3,700 delinquent parcels yearly in Douglas County. This legislation is also expecting Treasurer's Offices to send another mailing certified and have the Sheriff's Office serve another notice with the issuance of the certificate after the sale is completed. Again, the delinquent taxpayer still has within nine months after the expiration of three years after the date of the sale to pay their taxes before the process of ownership transfer would happen through a Treasurer's Tax Deed and/or Foreclosure.

Category	Add'l Cost to Treasurer's Office	Notes
<i>By-Mail</i>	\$32,400.00	Certified Mail Cost for the Notification of sale \$8.10X4000 to delinquent parcels
	\$68,210.00	Certified Mail Cost for the List and notification of sale if Sheriff cannot serve (Estimate 95% as they don't have the staff 3800 not served x \$17.95) -Sent to property Address- List is around 223 pages both sides
	\$23,328.00	Certified mailing Cost for parcel with Tax Certificates Sold- Notification to delinquent parcel (4000x .72(estimate sold) =2880x \$8.10)
	\$9,072.00	Certified Mail Cost for Certified Notice of DCT Liens in November 4000-2880=1120 pieces *\$8.10
<i>In-Person</i>		
	\$5,728.03	Staff cost to send out first certified notifications of sale to delinquent parcels certified paper 4000x 2 minutes plus 4 hrs. of stuffing by machine=137.33hr x \$41.71
	\$18,491.29	Staff Cost to do the mailing-Printing, Stuffing and filling out Certified Notice for Notification and list for Sale not served by Sheriff -these will have to be stuffed manually. (3800x 7min (2min certified paper and 5 min stuffing/label/seal)/60minx\$41.71(wage \$27+\$14.71 benefits). This would not include the 443.34 hours of work that we would not get to be doing that we need to.
	\$5,728.03	Staff cost to sed out certificates for Bidder liens and DCT Liens 4000x 2 minutes plus 4 hrs. of stuffing by machine=137.33hr x \$39.97
	\$7,174.12	Staffing cost to document and keep track of this this process- Estimate of 43day Feb-March for tracking and documenting – (Estimate is 4 hours/day x43days x \$41.71) -This does not include the 172 hours that we would not get to do the work we need to be doing.
	\$100,000.00	Title Search by registered abstractor (Cost 4000 x 20%= 800) Called Title Core and just owner title search is \$125x 800
	\$280.00	Envelopes \$40/1000 #10window 4000 1 <sup>st</sup> notice and 2880 Certificate Notice =6880
	\$180.65	Labels for Brown Envelopes 7600 labels for Return and Address

		\$23.77/1000 7.6 x \$23.77
	\$11,362.34	Paper and ink Cost – 224x 3800=851,200 sheets of paper/500 pieces in a ream = (1702.4 Reams of paper \$52/case (10 reams) 1702.4/10= 170.24x \$52 a case =\$8,852.48) Ink \$70.76 for 24,000 sheets (851,200/24,000x \$70.76=\$2509.86)
	\$1,052.22	3800 Envelopes Brown 13x10 to send 223 pages of list (printed both sides) and 1 notice=224 pages \$27.69/100 3800/100=38x27.69
	\$300,000.00	IMS System Programing changes 50year old system-this is only an estimate
	\$16,040.76	Daily Record (publication) increase
	TBD	Personal or Residence Service (Sheriff) Cost to Serve each parcel on list and each parcel tax certificate issued

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

**2023**

**LB<sup>(1)</sup> 577**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County Sheriff's Office

Prepared by: <sup>(3)</sup> Captain Michael Scriven Date Prepared: <sup>(4)</sup> 1-24-23 Phone: <sup>(5)</sup> 402-441-6500

**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		\$48,037.50		\$48,037.50
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	\$157,961		\$98,129	
<b>TOTAL FUNDS</b>	<u>\$157,961</u>	<u>\$48,037.50</u>	<u>\$98,129</u>	<u>\$48,037.50</u>

Explanation of Estimate: With the added requirement of a physical paper service as stated in Sec. 2 (5), "Personal or residence service shall be made by the county sheriff of the county where service is made or by a person authorized by section 25-507. The sheriff or other person serving the list and notice shall be entitled to the statutory fee prescribed in section 33-117.", and the same requirement as stated under Sec. 4 (3), there would be new revenue and expenditures required. Using 2022 numbers, such service would take in an estimated \$48,037.50 in paper service fees (revenue) in each of the fiscal years. Also, it would be an approximate increase of 7,626 papers being processed/served by the Sheriff's Office a year. This would necessitate an additional Deputy Sheriff to cover the increased workload. With wages, benefits, uniforms, cruiser and equipment, the first fiscal year would see an increased expenditure of \$157,961. The wages and benefits for the second fiscal year would be \$98,129.

SEE ATTACHED FOR ASSUMPTIONS, WORKLOAD STATISTICS USED IN ESTIMATE

**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>
Deputy Sheriff	1	1	\$63,261	\$69,012
Benefits.....			\$26,843	\$29,117
Operating.....			\$67,857	
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<u>\$157,961</u>	<u>\$98,129</u>



Last year (2022) 2,045 letters were sent certified by the Treasurer's Office in January.

**Phase One** - As a result, 793 properties were set for sale in 2022. **Three weeks prior to sale service must be made Personal or Residential.** Service that would have been required if LB 577 was in effect as written:

Fees –

Parties in Possession and only one title owner would have profited = \$21,411.00

That is 18.00 service fee plus 9.00 for second paper – no mileage estimate included.

Parties in Possession and two title owners would have profited = \$28,548.00

18.00 service and 18.00 for two title owners - no mileage estimate included.

Service Attempts -

Minimum added papers = 793 (Properties) X 2 (one title owner) X 1 (attempts before success) = 1,586 attempts

Minimum added paper attempts = Parties in possession and one title owner 793 X 2 X 1 = 1,586

Maximum added paper attempts = Parties in possession and one title owner 793 X 2 X 3 = 4,758

Minimum added paper attempts = Parties in possession and two title owners 793 X 3 X 1 = 2,379

Maximum added paper attempts = Parties in possession and two title owners 793 X 3 X 3 = 7,137

Average added attempts =  $(1,586 + 4,758) / 2 = 3,172$  with  $(2,379 + 7,137) / 2 = 4,758$  so  $(3,172 + 4,758) / 2 = 3,965$  average increase in paper attempts for first phase.

**Phase Two** - Last year 732 properties were sold. **After sale of property personal or residential service will need to be made.** Service would have been required on 732 locations.

Fees –

Parties in Possession and only one title owner would have profited = \$19,764.00

That is 18.00 service fee plus 9.00 for second paper – no mileage estimate included.

Parties in Possession and two title owners would have profited = \$26,352.00

18.00 service and 18.00 for two title owners – no mileage estimate included.

Service attempts -

Minimum added papers = 732 (Properties) X 2 (one title owner) X 1 (attempts before success) = 1,464 attempts

Minimum added paper attempts = Parties in possession and one title owner 732 X 2 X 1 = 1,464

Maximum added paper attempts = Parties in possession and one title owner 732 X 2 X 3 = 4,392

Minimum added paper attempts = Parties in possession and two title owners 732 X 3 X 1 = 2,196

Maximum added paper attempts = Parties in possession and two title owners 732 X 3 X 3 = 6,588

Average added attempts =  $(1,464 + 4,392) / 2 = 2,928$  with  $(2,196 + 6,588) / 2 = 4,392$  so  $(2,928 + 4,392) / 2 = 3,660$  average increase in paper attempts.

Totals for both phases:

3,965 (phase one) + 3,660 (phase two) = 7,625 new paper attempts and the need for an additional employee

Total revenue with one owner and parties in possession = \$41,175

Total revenue with two owners and parties in possession = \$54,900

Average estimate is \$48,037.50 revenue

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

2023

LB<sup>(1)</sup> 577

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County Treasurer

Prepared by: <sup>(3)</sup> Rachel Garver Date Prepared: <sup>(4)</sup> January 25, 2023 Phone: <sup>(5)</sup> 402-441-7499

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	\$340,936		\$326,936	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Proposed Changes in LB577: Estimated Costs to Lancaster County

Additional Costs

Notes on sections

LB577 Section 1, §77-1802

\$ 2,300

Adds more required information per parcel to the delinquent tax list. Lancaster County's advertising cost last year was \$4,393.94. Adding the changes to the advertising list is estimated to increase the cost to 6,600.00.

LB577 Section 2, §77-1804 (3) (4) (5)

\$ 14,556

(3) Send prescribed notice by first-class **and** certified mail to the owners. Note timeframe is not included. Currently delinquent taxpayers do receive a courtesy notice by first-class mail regarding delinquent taxes. 1,797 letters were sent in early January of 2023. Cost of certificate mail is \$8.10 each.

(4) (5) Three weeks prior to the date of sale for each parcel on the list "serve such list and accompanying notice". To including the entire list of delinquent parcels font will be 8pt to minimize the number of sheets of paper to include with the notice. (a) personal or residence service as described in section 25-505.01 upon the occupant of the real property and the address the property tax statement was sent. 50% of the delinquent parcels is the estimate of mailing address different from the actual property address. This year of the 1,797 first class letters sent 734 paid within to date. Estimating 1,600 to be the number of occupants/owners that would need to be served. The sheriff's office gave us a cost of \$40 to \$67 per person served. Used average cost of \$53.50. Starting 3 weeks before the sale it would not be reasonable to expect that all persons could be served notice and the list before the day of the sale. Probably not the best use of the sheriff's personnel's time.

\$ 85,600

(4) (b)The list and notice should be sent by certified mail to every encumbrancer of record found by a registered abstractor. Estimating that there will be 1,100 delinquent parcels to research at a cost between \$125 and \$150. Used average cost of \$137.50.

\$ 151,250

	\$ 8,100	Certified mail cost to encumbrancers estimated at 1,000 notices at \$8.10 each.
		LB577 Section 4, §77-1818 (2)
	\$ 52,270	(a) After issuance of the sales tax certificate notice of the sale of the taxes shall be given by personal or residence service to the occupant and owner. 977 notices figured at 651 parcels sold at 2022 tax sale increased by 50% to go to both the parcel address and the mailing address. Using sheriff's cost in section (4)(5).
	\$ 4,860	(b) Certified mail to every encumbrancer estimated at 600 at \$8.10 each.
	\$ 14,000	Programming for Lancaster County's custom software to include a fee for the mailing in section 2 (3) and for reporting to pull both the situs address and the billing address is estimated at 80 hours at \$175 per hour.
	\$ 8,000	Staff time to comply with all new procedures as outlined in LB577 approximately 200 additional hours (5 weeks of an FTE) about \$8,000 gross wages.
		Paper & Window Envelopes would be an additional cost.
		LB577 Section 5, §77-1837
		No additional costs to Lancaster County Treasurer's Office.
<hr/>		
	\$ 340,936	Total

All costs are on-going except programming costs. Most costs will likely increase.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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

**LB<sup>(1)</sup> 577**

**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> 1/25/2023 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:**

LB577 would increase the notification of delinquent property taxes provided by county treasurers. Lists of delinquent taxes that are prepared by county treasurers four to six weeks prior to the tax sale would have to include the property's situs address and billing address. The list of delinquent taxes provided by county treasurers to the Department of Revenue lists nearly 21,000 properties in February 2021. County treasurers would be required to send notice by first class and certified mail to the owners of such property, with the mailing costs assessed against the property. An additional \$5 - \$8 for certified mail for 21,000 properties would add an additional \$105,000 - \$168,000 in costs.

Three weeks prior to the sale, county treasurers would be required to give notice to persons in actual possession or occupancy of the property and the titleholder by personal or residential service by the county sheriff. If those persons are unable to be served by those methods, service must be made by certified mail or designated delivery service to those owners. In addition to the costs for service, title searches in some counties range from \$125 to \$150. A similar notice process, again including a title search, would be required after the delinquent taxes are sold and a tax sale certificate is issued.

If a title search were required for each of those properties, the cost would be between \$2,625,000 - \$3,150,000 across the state. This figure does not include publication costs that would be required. This amount could be slightly less if delinquent taxes are paid between the first and second notices to the owner. LB577 does not indicate whether the same title search could be used for the second notice to the property owner after the tax sale. If a second title search is required, costs would double costs of title searches. Further, counties would be subject to an additional fiscal impact if sheriffs' service is required for notice.

In addition to unknown additional costs, there would be significant increased workload issues for county issues for the tax sales process and perhaps the need to hire additional FTEs in counties that process a number of delinquent taxes.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

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