

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$3,023,000	\$3,023,000	\$4,799,000	\$4,799,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$3,023,000	\$3,023,000	\$4,799,000	\$4,799,000

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

LB622 would make the following amendments to the the Affordable Housing Trust Fund (AHTF):

- Creates a new program, the Statewide Housing Assistance Program (SHAP);
- Expands the AHTF to allow for down payment assistance under SHAP;
- Allows for individuals to receive loans from the AHTF under SHAP;
- Expands AHTF to allow homebuyers to receive assistance; and
- Gives priority under AHTF to allocating trust fund assistance to homebuyers in enterprise zones or opportunity zones or in areas declared extremely blighted.

LB622 creates a new program, SHAP, for providing down payment assistance for homebuyers. LB622 would allow the Department of Economic Development (DED) to promulgate rules and regulations concerning eligibility for homebuyers under SHAP, defines down payment assistance and caps the assistance to \$30,000 per homebuyer.

LB622 raises the Documentary Stamp Tax from \$2.25 to \$2.55 and credits the difference to the AHTF. Estimates for revenue and administrative cost provided by the Department of Economic Development appears reasonable. Revenue related to recoupment of the loans is not included on this fiscal note as the timing and amounts are unknown and would likely occur outside of this biennium. LB622 does not prescribe the amount allocated to SHAP, for the purposes of this fiscal note it is presumed the new revenue is dedicated to SHAP.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 468	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Ryan Yang		DATE: 2/1/2025	PHONE: (402) 471-4178
COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 468 appears reasonable.			

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

2025

LB⁽¹⁾ 622

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Economic Development

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 1/27/2025 Phone: ⁽⁵⁾ (402) 471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	<u>\$3,292,000</u>	<u>\$3,292,000</u>	<u>\$4,735,000</u>	<u>\$4,735,000</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$3,292,000</u>	<u>\$3,292,000</u>	<u>\$4,735,000</u>	<u>\$4,735,000</u>

Explanation of Estimate:

LB622 would create the Statewide Housing Assistance Program (SHAP), administered by a nonprofit organization under a contract from DED. The bill would amend section 58-706 to make downpayment assistance under SHAP, an eligible for assistance under the Affordable Housing Trust Fund (AHTF), and Section 58-707 would be amended to allow individuals to receive direct loans form the AHTF pursuant to the SHAP. Qualifying homebuyers would be eligible for a loan of up to \$30,000 to assist with the down payment on the homebuyer's primary residence. Loans under the program would be repaid upon transfer of title of the home and will be subject to a lien for the amount of assistance. Under SHAP, the first priority in allocating assistance among homebuyers is to homebuyers that have the lowest incomes and are located in enterprise or opportunity zones, and in areas that have been declared extremely blighted.

LB622 would also increase the Documentary Stamp Tax from \$2.25 per \$1,000 of value to \$2.55, with the increased \$0.30 credited to the AHTF. The bill does not specify how much of the AHTF should be dedicated to the SHAP. It is estimated that the increase in the distribution to the AHTF would result in approximately \$3.292 million and \$4.735 million in FY2025-26 and FY2026-27, respectively.

Costs to implement the provisions of LB622 include an Economic Development Manager to oversee the program and the contractor's work, and an IT Data/Database Analyst to manage the applications and data in the department's grant management system. We estimate that the cost of the nonprofit contractor to administer the program would be \$300,000 per year. Included in the operating costs are \$300,000 for contracting with a nonprofit agency to administer the SHAP program, \$1,710 for licenses for the department's grant management software and \$3,700 for additional office rent.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
G49550 Econ Dev Manager	0.75	1.0	\$52,920	\$70,560
A07051 IT Data/Database Analyst	0.25	0.25	18,460	18,460
Benefits.....			24,990	31,160
Operating.....			427,890	459,470
Travel.....			7,140	9,350
Capital outlay.....			8,600	0
Aid.....			2,257,000	4,146,000
Capital improvements.....				
TOTAL.....			\$3,292,000	\$4,735,000

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:			
Approved by: James R. Kamm				Date Prepared: 02/18/2025			
				Phone: 471-5896			
		FY 2025-2026		FY 2026-2027		FY 2027-2028	
	<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds							
Cash Funds		\$2,754,000			\$4,863,000		\$5,009,000
Federal Funds							
Other Funds							
Total Funds		\$2,754,000			\$4,863,000		\$5,009,000

LB 622 creates the Statewide Housing Assistance Program (Program). The Program will be administered by a nonprofit corporation contracted by the Department of Economic Development. The purpose of the Program is to provide downpayment assistance loans towards the purchase of a new home.

LB 622 raises the documentary stamp tax from \$2.25 to \$2.55 cents with the additional 0.30 cents to be deposited into the Affordable Housing Trust Fund to help fund the Program.

It is estimated that increasing Documentary Stamp Tax under LB 622 will have the following impact:

Fiscal Year	Affordable Housing Trust Fund
FY25-26	\$ 2,754,000
FY26-27	\$ 4,863,000
FY27-28	\$ 5,009,000
FY28-29	\$ 5,160,000

It is estimated that there will be minimal Costs to the Department of Revenue to implement this bill.

The operative date for this bill is October 1, 2025.

Major Objects of Expenditure

<u>Class Code</u>	<u>Classification Title</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							