Doug Gibbs February 01, 2011 471-0051

LB 672

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES * | | | | | | | |
|--|-----------------------|-------------|----------------------|-------------|--|--|--|
| | FY 2011-12 FY 2012-13 | | | | | | |
| | EXPENDITURES | REVENUE | EXPENDITURES REVENUE | | | | |
| GENERAL FUNDS | | | | | | | |
| CASH FUNDS | | (\$250,000) | <u></u> | (\$655,000) | | | |
| FEDERAL FUNDS | | | | | | | |
| OTHER FUNDS | | | | | | | |
| TOTAL FUNDS | | (\$250,000) | | (\$655,000) | | | |

^{*}Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 672 amends Nebraska Revised Statutes Section 76-902, dealing with exemptions to the documentary stamp tax, to add deeds between siblings and deeds between nonprofit organizations to those deeds exempt from the tax when there is no actual consideration exchanged. The exemptions would become effective January 1, 2012.

The Documentary Stamp Tax rate is \$2.25 per \$1000 of value. The \$2.25 is divided as follows:

The county register of deeds retains \$0.50 as a collection fee which goes to the county general fund;

The Affordable Housing Trust Fund receives \$1.20;

The Homeless Shelter Trust Fund receives \$0.25;

The Behavioral Health Services Fund receives \$0.30.

The Department of Revenue estimates the following fiscal impact of LB 672:

| | Total | Affordable | Behavioral | Homeless |
|----------|---------------|----------------|---------------|----------------|
| | <u>Impact</u> | <u>Housing</u> | <u>Health</u> | <u>Shelter</u> |
| FY11-12: | (\$ 250,000) | (\$ 172,000) | (\$ 43,000) | (\$ 36,000) |
| FY12-13: | (\$ 655,000) | (\$ 449,000) | (\$ 112,000) | (\$ 94,000) |
| FY13-14: | (\$ 713,000) | (\$ 489,000) | (\$ 122,000) | (\$ 102,000) |
| FY14-15 | (\$ 777,000) | (\$ 533,000) | (\$ 133,000) | (\$ 111,000) |

Based on the assumptions used by the Department, that the new exemptions would have the same impact as the average impact of the current exemptions, the estimate of fiscal impact appears reasonable and there is no basis to disagree with the Department.

There is no cost to the Department of Revenue to implement LB 672.

IMPACT TO POLITICAL SUBDIVISIONS:

The Department of Revenue estimates the following impact to the county collection fee:

FY11-12: (\$ 72,000) FY12-13: (\$ 174,000) FY13-14: (\$ 187,000) FY14-15: (\$ 204,000)

DEPARTMENT OF ADMINISTRATIVE SERVICES

| F | REVIEWED BY | Lyn Heaton | DATE 2/2/11 | PHONE 471-2526 |
|---|-------------|------------|-------------|----------------|
| | | | | |

COMMENTS

No basis upon which to disagree with agencies' comments as no records are available to DED or the REVENUE DEPT. relative to the frequency of each of the different forms of transactions.

FISCAL NOTE JAN 3 200 LB672

Department of Economic Development

| Prepared By | Young, Joseph |
|----------------|---------------|
| Date Prepared | 1/28/2011 |
| Prepared Phone | 402-471-3783 |

Estimate Provided By State Agency or Political Subdivision

| | FY 2011-2012 | | FY 2012-2013 | | |
|---------------|--------------|-------------------|--------------|-------------------|--|
| | Expenditures | Revenue Expend | | Revenue | |
| General Funds | | | | | |
| Cash Funds | | (100,000-150,000) | | (100,000-150,000) | |
| Federal Funds | | | | | |
| Other Funds | | | | | |
| Total Funds | | (100,000-150,000) | • | (100,000-150,000) | |

Explanation of Estimate:

Date: 1/31/2011

LB 672 amends Section 76-902 to add deeds between siblings and deeds between nonprofit organizations to those deeds exempt from

the documentary stamp tax when there is no actual consideration exchanged. The exemptions would become effective January 1,2012.

The Documentary Stamp Tax rate is \$2.25 per \$1000 of value. The \$2.25 is divided as follows: The county register of deeds retains \$0.50 as a collection fee which goes to the county general fund;

The Affordable Housing Trust Fund receives \$1.20;

The Homeless Shelter Trust Fund receives \$0.25;

The Behavioral Health Services Fund receives \$0.30.

The Department of Economic Development estimates that the Affordable Housing Trust Fund would see between \$100,000 and \$150,000 less in each of the next two years, but it is very difficult to determine an amount because DED does not track the reciepts.

Major Objects of Expenditure

| | Number | of Positions | FY 2011-2012 | FY 2012-2013 Expenditures | |
|----------------|----------------|----------------------|--------------|------------------------------|--|
| Position Title | FY 2011-2012 | FY 2012-2013_ | Expenditures | | |
| | | | | | |
| | _ | Benefits | | | |
| | | Operating | | | |
| | | Travel | | | |
| | | Capital outlay | | | |
| | | Aid | | | |
| | | Capital improvements | | | |
| | | Total | | | |

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Fiscal Note

2011

LB 672

State Agency Estimate 1/26/2011 State Agency Name: Department of Revenue Date Due LFA: 1/24/2011 Phone: 471-5700 Date Prepared: Approved by: Douglas Ewald FY 2011-2012 FY 2012-2013 FY 2013-2014 Expenditures Expenditures Revenue **Expenditures** Revenue Revenue General Funds (\$655,000) Cash Funds (\$250,000) (\$713,000) Federal Funds Other Funds Total Funds (\$250,000) (\$655,000) (\$713,000)

LB 672 provides for two new exemptions from the Documentary Stamp Tax. The first exemption is for deeds transferring real estate between siblings. The second exemption is for deeds transferring real estate between nonprofit organizations if there is no actual consideration.

The exemptions become effective on January 1, 2012.

Currently, the Documentary Stamp tax rate is \$2.25 per \$1,000 of value or fraction thereof. Counties retain \$0.50 from the \$2.25 collected. Twenty-five cents of the remaining \$1.75 is credited to the Homeless Shelter Assistance Trust Fund, \$1.20 is credited to the Affordable Housing Trust Fund, and \$0.30 is credited to the Behavioral Health Services Fund.

Based on an assumption that the two new exemptions have the same impact as the average impact of the 22 current exemptions, both in terms of their use and the dollar value of the transaction, the estimated impact of the new exemptions is presented below.

| | Affordable Housing | Behavioral Health | Homeless Shelter | Total State Cash Funds | County |
|-----------|-----------------------|----------------------|------------------|---------------------------|-----------|
| FY2011-12 | (172,000) | (43,000) | (36,000) | (250,000) | (72,000) |
| FY2012-13 | (449,000) | (112,000) | (94,000) | (655,000) | (174,000) |
| FY2013-14 | (489,000) | (122,000) | (102,000) | (713,000) | (187,000) |
| FY2014-15 | (533,000) | (133,000) | (111,000) | (777,000) | (204,000) |
| | | | | | |

The Department of Revenue will have no costs to implement LB 672.

| Major Objects of Expenditure | | | | | | | | |
|------------------------------|----------------------|---------------------|---------------------|---------------------|-----------------------|--------------------|-----------------------|--|
| Class Code | Classification Title | 11-12 <u>FTE</u> | 12-13 <u>FTE</u> | 13-14 <u>FTE</u> | 11-12 Expenditures | 12-13 Expenditures | 13-14 Expenditures | |
| | | | | | | | | |
| Benefits. | | | | | | | | |
| Operating Costs | | | | | | | | |
| Capital Outlay | | | | | | | | |
| Capital Improvements | | | | | | | | |
| Cotal | | | | | | | | |