

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2015-16		FY 2016-17	
	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 162 amends a number of sections of Nebraska Revised Statutes dealing with tax sales of real property.

The bill amends Section 77-1807 to strike language that allows for a tax sale to be conducted in a round robin format and the language specifying how that sale is conducted. With that change, the only allowed format for the tax sale would be by public auction.

The bill also adds a requirement to the bidding process, in cases where there is no automatically accepted bid made by a land bank, that in addition to the bid including taxes, delinquent interest, and costs due on any real property, the bidder include the lowest interest rate to be received upon redemption of such real property. In other words, the successful bidder is one who bids to pay the taxes, delinquent interest, costs, and the lowest interest rate upon redemption.

The bill allows a land bank to offer to pay, instead of bidding, the amount of taxes, interest, and costs due on the real property being sold in a tax sale, and to bid an interest rate. This offer shall be treated by the county treasurer in the same manner as any other bid.

If a land bank gives an automatically accepted bid, it shall include an interest rate bid at the rate specified in Section 45-104.01, which is 14%. An automatically accepted bid must be accepted by the county treasurer.

LB 162 also forbids collusion between bidders at public auction regarding the interest rate bid and provides for penalties.

Section 77-1824 regarding the right of redemption is amended to allocate the interest received under the section as follows: a) interest at the rate bid by the purchaser shall be allocated to the purchaser or their heirs or assigns; b) any interest remaining after the allocation required by this section, which would be the difference between the interest rate paid to the purchaser and 14% (as specified in Section 45-104.01).

There appears to be no fiscal impact to the state as a result of LB 162.

The Department of Revenue indicates no cost to implement the provisions of LB 162.

We agree with the Department's estimate of cost.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials and the Lancaster County Treasurer indicate no fiscal impact to counties.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 162	AM:	AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY: Lyn Heaton		DATE: 1/27/2015	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the Lancaster County estimate of no fiscal impact.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 162	AM:	AGENCY/POLT. SUB: NE Association of County Officials (NACO)	
REVIEWED BY: Lyn Heaton		DATE: 1/27/2015	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the NACO estimate of no fiscal impact.			

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

2015

LB⁽¹⁾ 162

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Lancaster County – Treasurer’s Office

Prepared by: ⁽³⁾ William E. Jarrett

Date Prepared: ⁽⁴⁾ 1/20/15

Phone: ⁽⁵⁾ 4024417409

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</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:

As written, this fiscal note should have little impact on the Treasurer’s Office.

WEJ

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16 EXPENDITURES</u>	<u>2016-17 EXPENDITURES</u>
	<u>15-16</u>	<u>16-17</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2015

LB⁽¹⁾ 162

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel

Date Prepared: ⁽⁴⁾ 1/14/2015

Phone: ⁽⁵⁾ 402-434-5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2015-16</u>		<u>FY 2016-17</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:

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2015-16</u>	<u>2016-17</u>
	<u>15-16</u>	<u>16-17</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

LB 162 would change provisions relating to sales or real property for nonpayment of taxes. The bill allows for bid down of the interest rate to receive upon redemption. Fourteen percent interest would still be collected from property owner upon redemption. A purchaser would receive bid down amount with the remainder being allocated to county. Additionally, round robin procedures would be stricken. No fiscal impact to counties.