Sandy Sostad January 26, 2015 471-0054

LB 213

Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | | | |
|--|--------------|---------|--------------|---------|--|--|
| | FY 201 | 5-16 | 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 213 allows a city, village, or county to collect funds to pay costs associated with the demolition of damaged real property. The bill provides for an insurer to withhold a demolition cost reserve from the payment on a fire and casualty insurance policy, if certain conditions apply. The demolition reserve is the greater of: 10% of the basic coverage limit; or \$10,000. Any funds remaining after the property has been demolished are remitted to the insured.

The bill provides a method for cities, villages and counties to obtain funds for demolition costs in instances where insurance proceeds have been paid for damages to real property. Current law provides for cities and villages to impose a special levy against the property for such work or enforce the collection by civil action in court. It is possible the bill will expedite the work on affected buildings and structures which may result in lower expenditures by cities, villages and counties for such work or decreased expenditures for civil actions.

| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES | | | | | | |
|--|-----|---|-----------------|--|--|--|
| LB: 213 | AM: | AGENCY/POLT. SUB: Department of Insurance | | | | |
| REVIEWED BY: Robin Kilgore | | DATE: 1-22-15 | PHONE: 471-4180 | | | |
| COMMENTS: Concur with agency's estimate of no fiscal impact. | | | | | | |

| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES | | | | | |
|--|---|--|---------------|-----------------|--|
| LB: 213 | LB: 213 AM: AGENCY/POLT. SUB: City of Lincoln | | | | |
| REVIEWED BY: Robin Kilgore | | | DATE: 1-21-15 | PHONE: 471-4180 | |
| COMMENTS: No basis to disagree with estimate of fiscal impact. | | | | | |

| DMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES | | | | | |
|---|---|--|---------------|-----------------|--|
| LB: 213 | LB: 213 AM: AGENCY/POLT. SUB: City of Omaha | | | | |
| REVIEWED BY: Robin Kilgore | | | DATE: 1-21-15 | PHONE: 471-4180 | |
| COMMENTS: No basis to disagree with estimate of fiscal impact. | | | | | |

| ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES | | | | | |
|--|-----|-------------------|---------------|-----------------|--|
| LB: 213 | AM: | AGENCY/POLT. SUB: | | | |
| REVIEWED BY: Robin Kilgore | | | DATE: 1-20-15 | PHONE: 471-4180 | |
| COMMENTS: No basis to disagree with fiscal impact. | | | | | |

Please complete \underline{ALL} (5) blanks in the first three lines.

| LB ⁽¹⁾ 21 | 3 | | | | FISCAL NOTE |
|----------------------|--|---------------------------------|-------------------|------------------------------|-------------------------------|
| State Agency C | R Political Subdivision Name: ⁽²⁾ | Department of I | nsurance | | |
| Prepared by: | ³⁾ Robert M. Bell | Date Prepared: ⁽⁴⁾ | 1/21/2015 | Phone: (5) | 402-471-4650 |
| | ESTIMATE PROVIDI | ED BY STATE AGENO | CY OR POLITICAL S | SUBDIVISIC | DN |
| | <u>FY 20</u> <u>EXPENDITURES</u> | <u>015-16</u> <u>REVENUE</u> | <u>EXPENDITU</u> | <u>FY 2016</u> <u>RES</u> | - <u>17</u> <u>REVENUE</u> |
| GENERAL F | | | | | |
| FEDERAL FU | | | | | |
| TOTAL FUN | | | | | |
| Explanation o | f Estimate: | | | | |
| No fiscal imp | act on the Department of Insi | urance. | | | |

| BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE | | | | | | | |
|---|--------------|--------------|---------------------|---------------------|--|--|--|
| Personal Services: | | | | | | | |
| NUMBER OF POSITIONS 2015-16 2016-1 | | | | | | | |
| POSITION TITLE | <u>15-16</u> | <u>16-17</u> | EXPENDITURES | EXPENDITURES | | | |
| | | | | | | | |
| | | | | | | | |
| | . <u> </u> | . <u> </u> | | | | | |
| Benefits | | | | | | | |
| Operating | | | | | | | |
| Travel | | | | | | | |
| | | | | | | | |
| Capital outlay | | | | | | | |
| Aid | | | | | | | |
| Capital improvements | | | | | | | |
| Capital improvements | | | | | | | |
| TOTAL | | | | | | | |

| LB ⁽¹⁾ 213 | | | | | FISCAL NOTE |
|-----------------------------|--------------------------------|-------------------------------|------------------|----------------|-----------------|
| State Agency OR Po | olitical Subdivision Name: (2) | City of Lincoln N | NE | | |
| Prepared by: ⁽³⁾ | Steve Hubka | Date Prepared: ⁽⁴⁾ | 1/15/15 | Phone: (5) | 402 441-7412 |
| | ESTIMATE PROVIDED |) BY STATE AGENO | Y OR POLITICAL S | UBDIVISIC | DN |
| | FY 201 | 15-16 | | <u>FY 2016</u> | -17 |
| | EXPENDITURES | REVENUE | EXPENDITU | RES | REVENUE |
| GENERAL FUND | DS | +\$0 - \$30,000 | | | +\$0 - \$30,000 |
| CASH FUNDS | | | | | |
| FEDERAL FUND | s | | | | |
| OTHER FUNDS | | | | | |
| TOTAL FUNDS | | +\$0 - \$30,000 | | | +\$0 - \$30,000 |
| | | | | | |

Explanation of Estimate:

| BREAK | DOWN BY MA. | JOR OBJECTS O | F EXPENDITURE | |
|----------------------|---------------------------|---------------|---------------|---------------------|
| Personal Services: | | | | |
| | NUMBER OI | F POSITIONS | 2015-16 | 2016-17 |
| POSITION TITLE | <u>15-16</u> <u>16-17</u> | | EXPENDITURES | <u>EXPENDITURES</u> |
| | | | | |
| | | | | |
| Benefits | | | | |
| Operating | | | +\$500 | +500 |
| Travel | | | | |
| Capital outlay | | | | |
| Aid | | | | |
| Capital improvements | | | | |
| TOTAL | | | +\$500 | +\$500 |

The revenues and expenditures shown can't be determined accurately since there's no way of knowing how many damaged properties in a given year, if any, the City will have to deal with that are covered by this bill. Our expenditures for all buildings we have to demolish (not necessarily covered by a fire or casualty situation) run in the range of revenues shown above which this bill would reimburse us for if they are covered by a fire and casualty policy. The \$500 expenditures are a rough guess of what administrative costs might be if we have a couple of these a year.

| LB ⁽¹⁾ 213 | | | | I | FISCAL NOTE |
|--|----------------------------------|-------------------------------|----------------|--------------------------|------------------------|
| State Agency OR Political S | Subdivision Name: ⁽²⁾ | City of Omaha | | | |
| Prepared by: ⁽³⁾ Sheri | Larsen | Date Prepared: ⁽⁴⁾ | 01/20/2015 | Phone: ⁽⁵⁾ | 402-444-5477 |
| | ESTIMATE PROVID | ED BY STATE AGEN | ICY OR POLITIC | AL SUBDIVIS | ION |
| | <u>FY 20</u> EXPENDITURES | 0 <u>15-16</u> REVENUE | EXPENDI | <u>FY 2016-</u> FURES | - <u>17</u> REVENUE |
| GENERAL FUNDS CASH FUNDS FEDERAL FUNDS OTHER FUNDS TOTAL FUNDS | | | · | | |

Explanation of Estimate:

The financial impact of LB 213 on the City of Omaha would be minimal. Any incidental administrative time spent dealing with processing and sending information or notices is greatly outweighed by the reimbursement of demolition costs that would not otherwise be received.

| BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE | | | | | | |
|---|--------------|--------------|-------------------------|-------------------------|--|--|
| Personal Services: | | | | | | |
| POSITION TITLE | | F POSITIONS | 2015-16 EXPENDITURES | 2016-17 EXPENDITURES | | |
| FOSITION TITLE | <u>15-16</u> | <u>16-17</u> | <u>EAFENDITURES</u> | <u>EAFENDITURES</u> | | |
| | | | | | | |
| | | | | | | |
| Benefits | | | | | | |
| Operating | | | | | | |
| Travel | ••• | | | | | |
| Capital outlay | | | | | | |
| Aid | | | | | | |
| Capital improvements | | | | | | |
| TOTAL | | | | | | |

| | 3 Provide for withholding of insurance proceeds for demolition purposes | | | | FISCAL NOTE |
|--------------|--|----------------------------------|---------------|------------|--------------|
| State Agency | y OR Political Subdivision Name: ⁽²⁾ | DOUGLAS C | OUNTY, NEBRAS | KA | |
| Prepared by | y:(3) MARCOS SAN MARTIN, DOUGLAS COUNTY ADMINISTRATION | Date Prepared: ⁽⁴⁾ | 1/26/15 | Phone: (5) | 402.444.5116 |

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2015-16</u> | | <u>FY 2016-17</u> | |
|-------------------------|---------------------|----------------|---------------------|----------------|
| | EXPENDITURES | <u>REVENUE</u> | EXPENDITURES | <u>REVENUE</u> |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | N/A | N/A | N/A | N/A |
| Explanation of Estimate | : | | | |

NEGLIGIBLE OR NO FISCAL IMPACT TO COUNTY

| | OOWN BY MA. | OR OBJECTS O | F EXPENDITURE | |
|--------------------------------------|--|--------------|--------------------------------|-------------------------|
| Personal Services: POSITION TITLE | NUMBER OF POSITIONS <u>15-16</u> <u>16-17</u> | | 2015-16 <u>EXPENDITURES</u> | 2016-17 EXPENDITURES |
| | | | | |
| Benefits Operating | | | | |
| Travel Capital outlay | | | | |
| Aid Capital improvements | | | | |
| TOTAL | | | N/A | N/A |

| LB ⁽¹⁾ 213 | | | | FISCAL NOTE |
|-----------------------------------|----------------------------------|-------------------------------|----------------------------------|---------------|
| State Agency OR Political | Subdivision Name: ⁽²⁾ | City of Imperial | | |
| Prepared by: ⁽³⁾ Jo Le | eyland | Date Prepared: ⁽⁴⁾ | January 16, 2015 Phone: (5) | 3008-882-4368 |
| | <u>ESTIMATE PROVIDE</u> | <u>D BY STATE AGENC</u> | <u>Y OR POLITICAL SUBDIVISIO</u> | DN |
| | FY 20 | 015-16 | FY 2016 | -17 |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | 50,000.00 | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | 10,000.00 | | |
| TOTAL FUNDS | 50,000.00 | 10,000.00 | | |

Explanation of Estimate:

The demolition of a building that has been damaged is something that cannot be planned. I've included the cost I estimate for one incidence. The estimate is for the contracting of a demolition crew to take down any remaining rubble.

| BREAKI | DOWN BY MA. | JOR OBJECTS O | F EXPENDITURE | |
|----------------------|--------------|---------------|---------------------|---------------------|
| Personal Services: | | | | |
| | NUMBER OI | F POSITIONS | 2015-16 | 2016-17 |
| POSITION TITLE | <u>15-16</u> | <u>16-17</u> | EXPENDITURES | EXPENDITURES |
| | | | | |
| | | | | |
| | | | | |
| Benefits | | | | |
| Operating | | | 50,000.00 | |
| Travel | | | | |
| Capital outlay | | | | |
| Aid | | | | |
| Capital improvements | | | | |
| TOTAL | | | 50,000.00 | |
| | | | | |

| LB ⁽¹⁾ 2/3 | FISCAL NOTE |
|--|---------------------------------------|
| State Agency OR Political Subdivision Name: (2) Lancaster Cour | ity |
| Prepared by: (3) SURECKLEY Date Prepared: (4) 1/16/15 | Phone: (5) $441 - 6510$ |
| ESTIMATE PROVIDED BY STATE AGENCY OR POL | TICAL SUBDIVISION |
| <u>FY 2015-16</u> EXPENDITURES REVENUE EXPEN | <u>FY 2016-17</u> NDITURES REVENUE |
| GENERAL FUNDS | |
| CASH FUNDS | |
| FEDERAL FUNDS | |
| OTHER FUNDS | · |
| TOTAL FUNDS | |
| Explanation of Estimate: | |
| NO FISCAL IMPACT | |

| BREAKE | <u>own by maj</u> | OR OBJECTS O | <u>F EXPENDITURE</u> | |
|----------------------|-------------------|------------------|----------------------|--------------|
| Personal Services: | | | | |
| | NUMBER OF | POSITIONS | 2015-16 | 2016-17 |
| POSITION TITLE | <u>15-16</u> | 16-17 | <u>EXPENDITURES</u> | EXPENDITURES |
| | | | | |
| | . | | | |
| Benefits | | | | |
| Operating | | | | |
| Travel | | | | |
| Capital outlay | | | | |
| Aid | | | | |
| Capital improvements | | | | |
| TOTAL | | | | |

2015

| LB ⁽¹⁾ 213 | | | | FISCAL NOTE |
|----------------------------------|-------------------------|-------------------------------|---------------------|----------------------------------|
| State Agency OR Political | Subdivision Name: (2) | Sarpy County | | |
| Prepared by: ⁽³⁾ Fred | Uhe | Date Prepared: ⁽⁴⁾ | 1/25/15 Ph | one: ⁽⁵⁾ 402-593-2106 |
| | <u>ESTIMATE PROVIDE</u> | <u>D BY STATE AGEN(</u> | CY OR POLITICAL SUB | DIVISION |
| | FY 20 | 015-16 | F | Y 2016-17 |
| | EXPENDITURES | REVENUE | EXPENDITURES | <u>REVENUE</u> |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | 0 | 0 | 0 | 0 |

Explanation of Estimate: We would expect no expenses except for some staff time to administer and follow-up.

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