

PREPARED BY: Doug Gibbs  
 DATE PREPARED: January 17, 2016  
 PHONE: 402-471-0051

**LB 777**

Revision: 00

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	See Below		See Below	
TOTAL FUNDS	See Below		See Below	

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

LB 777 amends Nebraska Revised Statutes Section 77-1704.02 to require county treasurers to accept partial payments of current or delinquent property taxes and hold the payments in escrow until at least one-half of the taxes currently due on the property have been accumulated.

Current statute requires the county board to pass a resolution to accept such partial payments.

The Department of Revenue estimates that LB 777 will have no fiscal impact to the state and no cost to implement.

We agree with the Department's estimate of fiscal impact and cost to the state.

IMPACT TO POLITICAL SUBDIVISIONS:

Lancaster County indicates that there could be extensive costs to their office in order to build a computer system add-on that would meet internal control standards and intensive bookkeeping would add to labor costs.

The Nebraska Association of County Officials (NACO) also indicates that if multiple property owners begin to use the option provided for in LB 777, significant costs could be incurred by counties, including required software changes.

We have no basis to disagree with Lancaster County's or NACO's estimate of cost.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 777	AM:	AGENCY/POLT. SUB: Dept. of Revenue	
REVIEWED BY: Lyn Heaton		DATE: 1/19/2016	PHONE: 471-4181
COMMENTS: Concur. No fiscal impact on the Department of Revenue.			

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 777	AM:	AGENCY/POLT. SUB: Lancaster County Treasurer's Office
REVIEWED BY: Lyn Heaton	DATE: 1/19/2016	PHONE: 471-4181
COMMENTS: The Lancaster County Treasurer's Office does not to appear to have made an estimate of the fiscal impact of the bill in their submitted fiscal note.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 777	AM:	AGENCY/POLT. SUB: NE. Association of County Officials (NACO)
REVIEWED BY: Lyn Heaton	DATE: 1/13/2016	PHONE: 471-4181
COMMENTS: No basis upon which to disagree with the NACO analysis, however the level of significance of the impact on counties requires more information than is provided by NACO in its fiscal note.		



Aid.....		
Capital Improvements.....		
<b>Total</b> .....		

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

**2016**

**LB<sup>(1)</sup> 777**

**FISCAL NOTE**

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

Lancaster County Treasurer

Prepared by: <sup>(3)</sup> Candace Meredith

Date Prepared: <sup>(4)</sup> Jan. 14, 2016

Phone: <sup>(5)</sup> 402-441-7425

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</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:**

The Lancaster County Treasurer opposes LB777 due to the labor intensive bookkeeping and high risk accounting of holding funds in escrow. In addition the cost to build a computer system add on that would meet internal control standards would be a extensive cost to our office. Placing the Treasurer's Office in the capacity to hold partial payments can lead to confusion with IRS tax deduction filings of parcel owners. In addition, with taxes collected in arrears, the County Treasurer holding payments in escrow during closing proceeding can complicate the current process the title companies in Lancaster County operate as partial payments would not be considered to be public record.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2016**

**LB<sup>(1)</sup> 777**

**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> 1/11/2016

Phone: <sup>(5)</sup> 402.434.5660

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2016-17</u>		<u>FY 2017-18</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:**

LB 777 would require county treasurers to allow partial payments for the discharge of current or delinquent real property taxes, personal property taxes, or both or any charges for interest, publication, penalties, or other charges by reason of the delinquency of such taxes to be held in escrow by the county treasurer, or the county treasurer may contract with another party to hold such payments in escrow. Currently, county boards have the option to allow for these type of transactions. If multiple property owners begin to use this option costs may be significant to counties, including required software changes.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17</u>	<u>2017-18</u>
	<u>16-17</u>	<u>17-18</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____