PREPARED BY: DATE PREPARED: PHONE: Liz Hruska February 02, 2021 402-471-0053

LB 394

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2021-22 FY 2022-23						
	EXPENDITURES	EXPENDITURES	REVENUE				
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	See Below		See Below				

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

This bill creates the Public Health Emergency Housing Protection Act. The bills allow local governmental entities to establish a moratorium on any evictions and foreclosures during a public health emergency. Local governmental entities include counties, municipalities, or public health departments. The Public Health Emergency Housing Assistance Fund is created to be administered by the Department of Health and Human Services. The fund shall consist of revenue received from gifts, grant or fees and federal Coronavirus Aid, Relief, and Economic Security Act funding. In determining eligibility for receipt of the funds in the Public Health Emergency Housing Assistance Fund, it shall be liberally construed.

The state received \$3,184,930 in CARES Act funding. As of the end of the calendar year 2020, the state Coronavirus website shows all funds to be obligated or expended. It does not appear there is another source of funding that would flow into the Public Health Emergency Housing Assistance Fund. The state would be able to accept gifts or receive private grants for deposit into the fund.

Technical Note: The bill directed federal funds to be deposited into the Public Health Emergency Housing Cash Fund. Federal funds are received by the state as a line of credit and expended as federal funds

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 394	AM:	AGENCY/POLT. SUB: Nebraska I	Department of Health & Human Services			
REVIEWED BY	Y: Lucas Martin	DATE: 02/2/2021	PHONE: (402) 471-4181			
COMMENTS: No basis to disagree with the Department of Health & Human Services' assessment of fiscal impact.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 394 AM: AGENCY/POLT. SUB: Nebraska Department of Revenue						
REVIEWED BY:	Lucas Martin	DATE: 02/2/2021	PHONE: (402) 471-4181			
COMMENTS: No basis to disagree with the Department of Revenue's assessment of no fiscal impact.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 394	AM:	AGENCY/POLT. SUB: Lancas	ter County Assessor/Register of Deeds			
REVIEWED BY:	Lucas Martin	DATE: 01/22/2021	PHONE: (402) 471-4181			
COMMENTS: No basis to disagree with the Lancaster County Assessor's assessment of fiscal impact.						

		TATE BUDGET DIVISION: REVIEW OF AG	
LB: 394	AM:	AGENCY/POLT. SUB: Lancaste	County Sheriff's Office
REVIEWED B	Y: Lucas Martin	DATE: 02/2/2021	PHONE: (402) 471-4181

	ESTIMATE PROVIDE	D BY STATE AGENCY (OR POLITICAL SUBDIVISION			
State Agency or Political Sub	odivision Name:(2) Depart	ment of Health and Hu	man Services			
				(-)		
Prepared by: (3) Mike Michalski Date Prepared 2-1-2021 Phone: (5) 471-6719						
	FY 2021-20	022	FY 2022-	2023		
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS	(\$6,137,299)		(\$6,137,299)			
OTHER FUNDS						
TOTAL FUNDS	(\$6,137,209)		(\$6,137,209)			
						

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

Sections 9.2.a and 9.2.b in LB 394 require the Department of Health and Human Services (DHHS) to utilize all available federal housing assistance grants to provide the housing assistance in this bill. There will be significant negative fiscal impact on DHHS existing programs—Community Services Block Grant (CSBG), and Emergency Solutions Grant (ESG) if this occurs.

ESG federal funds cannot be utilized for mortgage assistance per federal regulations. Federal regulations require that 90% of CSBG funds be allocated to Community Action Agencies (CAAs) to conduct needs assessment and fund services within their service area. Thus, CSBG funds cannot be reallocated to implement this bill. Lastly, federal rules and regulations prevent DHHS from moving funds from a federal grant to a Cash fund. Using the funds as outlined in LB 394 puts the federal funding in je opardy.

The potential loss of federal funding for CSBG and ESG will be \$5,127,400 and \$1,009,899 respectively. It is unknown if the funding loss to the Department would be replaced with other funds.

OBJECTS OF EXPENDITURE		
NUMBER OF POSITIONS	2021-2022	2022-2023
21-22 22-23	EXPENDITURES	EXPENDITURES
······		
	(\$6,137,209)	(\$6,137,209)
	, , , , , , , , , , , , , , , , , , , ,	
	(\$6,137,209)	(\$6,137,209)
	NUMBER OF POSITIONS 21-22 22-23	NUMBER OF POSITIONS 2021-2022 21-22 22-23 EXPENDITURES (\$6,137,209)

LB 394 Fiscal Note 2021

State Agency Estimate							
State Agency Name: Department of Revenue Date Due LFO:							
	Date Prepared:	2/1/2021		Phone: 471-5896			
FY 2021-	-2022	FY 2022	<u>-2023</u>	FY 2023	<u>3-2024</u>		
Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue		
Minimal	See below	Minimal	See below	Minimal	See below		
Minimal	See below	Minimal	See below	Minimal	See below		
	FY 2021- Expenditures Minimal	Revenue Date Prepared: FY 2021-2022 Expenditures Revenue Minimal See below	Date Prepared: 2/1/2021 FY 2021-2022 FY 2022 Expenditures Revenue Expenditures Minimal See below Minimal Minimal See below See below	Date Prepared: 2/1/2021 FY 2021-2022 FY 2022-2023	Revenue Date Due LFO: Date Prepared: 2/1/2021 Phone: 471-5896 FY 2021-2022 FY 2022-2023 FY 2023 Expenditures Revenue Expenditures Revenue Expenditures Minimal See below Minimal See below Minimal		

LB 394 adopts the Public Health Emergency Housing Protection Act, to allow a municipality, county board, or public health department to enact a moratorium on any evictions and foreclosures within its jurisdiction if it finds doing so is necessary to protect the public welfare from the spread of a virus or infectious disease. While the moratorium is in effect, rental agreements cannot be terminated and no eviction actions or judicial foreclosure actions can be taken.

Under section 8 of the bill, no political subdivision can assess late fees, interest, or penalties on any property taxes or special assessments that became delinquent on property while such a moratorium is in effect, and for the following six months, on a property that contains one or more dwellings rented to tenants. This protection is provided to a landlord so long as the landlord notifies the county clerk that they are covered by such a moratorium on or before the first date any property tax or special assessment becomes delinquent.

The Department of Revenue is to develop a standard form to be used to provide such notice to the county clerk.

It is estimated that there will be minimal cost to the Department to implement the bill.

This bill will have no impact on General Fund revenues.

This bill contains an emergency clause and becomes law upon enactment.

Major Objects of Expenditure								
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures	
Benefits								
Operating Costs								
Travel								
	Capital Outlay.							
Capital Improvement	ts							
TD 4 1								

LB ⁽¹⁾ 394			FISCAL NOTE
State Agency OR Political Subdivision Name:	Lancaster County	Assessor/ROD	
Prepared by: (3) Scott Gaines	Date Prepared: (4)	1/20/21 Phone:	(5) 402-441-6580
ESTIMATE PRO	VIDED BY STATE AGEN	CY OR POLITICAL SUBDIVIS	SION
EXPENDITUE	<u>FY 2021-22</u> <u>RES REVENUE</u>	<u>FY 20</u> <u>EXPENDITURES</u>	<u>22-23</u> <u>REVENUE</u>
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL FUNDS			
Explanation of Estimate:			
Explanation of Estimate.			
Personal Services:	OWN BY MAJOR OBJECT	<u>TS OF EXPENDITURE</u>	
POSITION TITLE	NUMBER OF POSITION 21-22 22-23	S 2021-22 EXPENDITURES	2022-23 EXPENDITURES
Benefits			
Operating			
Capital outlay			
Aid			
Capital improvements			
TOTAL			

$LB^{\scriptscriptstyle{(1)}}$	394							FISCAL NOTE	
State Ag	gency OR P	olitical Si	ubdivision Name: (₂₎ Lanc	Lancaster County Sheriff's Office				
Prepare	ed by: (3)	Sheriff	Terry Wagner	Dat	te Prepared: (4)	01-27-2021	Phone: (5)	402 441 6500	
		E	STIMATE PROV	VIDED BY	STATE AGENO	CY OR POLITICA	L SUBDIVISIO	ON	
			EXPENDITUR	<u>FY 2021-22</u> <u>ES</u>	<u>REVENUE</u>	EXPENDI	<u>FY 2022</u> <u>TURES</u>	<u>REVENUE</u>	
GENER	RAL FUNI	OS				<u> </u>			
CASH I	FUNDS								
FEDER	RAL FUNI	OS							
OTHE	R FUNDS								
TOTAL	L FUNDS								
	ation of Es own fisca								
Persona	al Services	:	BREAKD	OWN BY M	IAJOR OBJECT	TS OF EXPENDIT	<u>cure</u>		
	POSIT	ION TIT	CLE	NUMBER 21-22	OF POSITION 22-23	S 2021- EXPENDI		2022-23 EXPENDITURES	
				-	_	-			
Benefit	s				_	_			
-	U								
Capital	outlay								
Aid									
Capital	improven	nents							
TO	TAL								