

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2013-14		FY 2014-15	
	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 97 creates the Municipal Land Bank Act.

The bill defines a land bank as a land bank established in accordance with the Act. A general definition of land bank in the context of LB 91 would be a public authority created to hold, manage, and develop tax-foreclosed, vacant, or other real property in order to facilitate placing that property back into productive use.

For purposes of LB 97, a municipality is defined as any city or village located within a county in which a city of the metropolitan class is located or within a county in which at least three cities of the first class are located. At this time, the only counties meeting these requirements are Douglas County and Sarpy County.

A municipality may create a land bank by ordinance and LB 97 specifies the contents of that ordinance.

The bill also provides that: two or more municipalities may enter into an interlocal agreement to create a single land bank; that a land bank is deemed to be a public corporation and a political subdivision of the state; that each land bank is to have a seven-member board of directors appointed by the mayor of the municipality; provides representation requirements for each board member; provides powers and duties for the board; allows the land bank to employ agents and employees; provides powers for the land bank, including the ability to issue bonds and enter into contracts; states that the land bank does not possess the power of eminent domain; provides that the income and real property of the land bank are exempt from taxation; the land bank may receive grants and loans from the municipality; may extinguish a tax lien; and creates an automatically accepted bid mechanism regarding the sale of real property for nonpayment of taxes.

LB 97 also provides that fifty percent of the real property taxes collected on such property conveyed by a land bank pursuant to the laws of Nebraska are to be remitted to the land bank for five years after conveyance. A land bank can elect not to receive such property taxes.

The bill also allows the land bank to be the highest bidder in sales of real property as part of foreclosure proceedings when there is no bid made that equals the total amount of taxes, interest, and costs.

The Department of Revenue indicates no fiscal impact to the state as a result of LB 97 and no cost to implement.

We agree with the Department’s estimate of fiscal impact and cost.

IMPACT TO POLITICAL SUBDIVISIONS:

The Nebraska Association of County Officials indicates that LB 97 could potentially result in the collection of past due taxes and, therefore, increase revenue to the counties. The amount of such collection is undetermined.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 97	AM:	AGENCY/POLT. SUB: Dept. of Revenue
REVIEWED BY: Gary Bush	DATE: February 12, 2013	PHONE: 471-4161
COMMENTS: Agree with the estimate of impact by the Dept. of Revenue.		

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES		
LB: 97	AM:	AGENCY/POLT. SUB: Assoc. of County Officials (NACO)
REVIEWED BY: Gary Bush	DATE: January 16, 2013	PHONE: 471-4161
COMMENTS: No basis to disagree with estimate of impact.		

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

2013

LB⁽¹⁾ 97 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Association of County Officials

Prepared by: (3) Elaine Menzel Date Prepared: (4) 1/14/2013 Phone: (5) 402.434.5660, ext. 225

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2013-14</u>		<u>FY 2014-15</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

LB 97 would adopt the Municipal Land Bank Act. This bill would require the county treasurer and the county sheriff to perform certain duties; however, such duties would be performed on the same pieces of property in similar situations. The passage of the legislation would potentially result in the collection of past due taxes and therefore, increase the fiscal impact to counties. The amount of such collection is undetermined.

MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2013-14</u>	<u>2014-15</u>
	<u>13-14</u>	<u>14-15</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....			_____	_____
Operating.....			_____	_____
Travel.....			_____	_____
Capital outlay.....			_____	_____
Aid.....			_____	_____
Capital improvements.....			_____	_____
TOTAL.....			_____	_____