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LB 409

Revision: 01

Updated for the 2012 Session.

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 409 allows a city, village, or county to collect funds to pay costs associated with the repair or demolition and clearing of damaged real property. The bill provides for an insurer to withhold from the payment of a claim the greater of: 25% of the actual cash value of the real property; 25% of the final settlement; or, \$15,000. If a final settlement is greater than 35% of the insurance coverage on the property, then a city, village or county has the right to deposit funds withheld by an insurer into a trust or escrow account to repair or demolish and clear the damaged property. Any funds remaining after the property has been repaired or demolished and cleared are remitted to the insured or an authorized third party.

The bill provides another method for a city or village to collect funds to pay costs associated with the repair or demolition and removal of buildings and structures damaged by flood, fire, explosion, vandalism, malicious mischief, act of God, riot or civil commotion. 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.