

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2013-14</b>		<b>FY 2014-15</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
TRUST FUNDS	See below		See below	
TOTAL FUNDS				

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

Under LB57 if a grantee uses grant funding from the Environmental Trust Fund to purchase real property, and subsequently seeks to transfer such property to a federal land management agency, which transfer would result in the removal of the property from the tax rolls, such transfer shall first be approved by the Environmental Trust Board. If the Board approves the transfer they are to deposit an amount equal to the property's taxable value in a trust fund to be administered by the county where the land is situated.

The amount of Environmental Trust Fund dollars that will need to be deposited in county trust funds will vary depending on the taxable value of land transferred to federal land management agencies. These deposits to county trust funds will reduce the amount of funding available for the Trust's typical grants, but will not impact the overall expenditures from the Environmental Trust Fund since the amount of money available to spend is unchanged.

For illustration, the Game and Parks Commission has indicated that there are five tracts of land purchased with grant funding that at some point will likely be transferred to the U.S. Fish and Wildlife Service and the National Park Service. In this case they estimate that \$375,000 would need to be deposited into county trust funds to generate replacement tax revenue. Please see the attached fiscal note from the Commission for more details.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>			
LB: 57	AM:	AGENCY/POLT. SUB: Nebraska Environmental Trust	
REVIEWED BY: Cindy Miserez		DATE: 1/30/2013	PHONE: 402-471-4174
COMMENTS: No fiscal impact to the Nebraska Environmental Trust. Calculated fee is paid to the county by the grantee.			

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

2013

LB<sup>(1)</sup> 57 FISCAL NOTE

State Agency OR Political Subdivision Name: (2) Nebraska Game and Parks (Environmental Trust)

Prepared by: (3) Mark Brohman /Patrick Cole Date Prepared: (4) 1/29/2013 Phone: (5) 1-6795 / 1-5523

**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	=====	=====	=====	=====

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

**Explanation of Estimate:**

The proposed legislation establishes additional approvals and grant requirements for grant applications associated with the acquisition of and potential sale or transfer of real property with grant funds. No fiscal impact is anticipated related to section 7 and the use of revolving funds. The Nebraska Environmental Trust Board (Board) is not currently funding revolving fund grants and past revolving fund grants would not be retroactively impacted.

Section 8 pertains to grant funded purchases that would subsequently be transferred to a federal land management agency resulting in the removal of the land from the tax rolls. It would require the Board to transfer an amount of funds equal to the property value (for tax purposes) to the county in which the property is located. Such funds would be placed in a trust fund within the county for any governmental purpose. The principle of the trust fund could not be expended, only the interest.

Based on history, Board approved grants have given rise to the transfer of one property every 6.5 years to a federal land management agency. These transfers have averaged 226 acres in size (average 35 acres per year). Assuming an estimated value of \$6,640/acre (current land values) and taxes of \$30/ac/year, an account would have to be established that would generate \$1,050 (\$30 x 35 acres) annually. At a 4% rate of return, at least \$26,250 would need to be invested annually. With the current rate closer to 2%, an annual investment of \$52,500 would be needed. This is an 'annualized' rate to match historic trends. Actual amounts would depend on the actual affected property within a given year.

Currently there are five tracts of land (498.69 acres) that will likely be transferred to the US Fish and Wildlife Service and National Park Service, although there is no definitive time frame. Under the proposed legislation, if these grants had been subject to the new requirements and they all passed to the federal agency in one year, an additional \$375,000 would have been required (498.69 acres x \$30/acre/yr with 4% rate of return).

**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.....	_____	_____	_____	_____