

Revised to include agency response

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		See below		See below
CASH FUNDS		See below		See below
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 57 prohibits cities and villages from adopting or enforcing ordinances or regulations prohibiting short-term rentals of certain residential property, including single-family homes or condominium units. The bill allows cities and villages to adopt and enforce ordinances to (1) protect the public’s health and safety, (2) impose sales or occupation taxes if permitted by law, (3) regulate land use regarding zoning, nuisances, and maintenance, and (4) prohibit short-term rentals if the law limits or prohibits their use for certain purposes. LB 57 specifies that these provisions do not affect regulations of private entities, including homeowners associations organized under the Condominium Property Act or Nebraska Condominium Act.

The bill defines “online hosting platform” as a marketplace connected by a computer through which a seller or hotel operator may rent any room or accommodations in a hotel, motel, inn, etc.; the accommodations may be advertised or listed; and the occupant may arrange for the occupancy. LB 57 permits the Tax Commissioner to enter into any agreement with an online hosting platform for the online hosting platform to collect and remit applicable state and local sales tax and lodging tax on behalf of any seller or hotel operator otherwise required to collect such taxes for transactions conducted through the platform. Upon entering the agreement, the Tax Commissioner must waive the tax collection responsibility of the seller or hotel operator for transactions conducted through the platform. The online hosting platform must report aggregate information on their tax return of all transactions subject to the agreement and must give written notice of the agreement to each seller or hotel operator covered by the agreement.

LB 57 clarifies specific enforcement provisions for the Department of Revenue to collect sales and lodging tax for short-term rentals made through an online hosting platform. While it is difficult to estimate the level of compliance for sellers or operators using an online hosting platform under current tax law, as a result of the provisions of LB 57, there could be some additional revenue to the General Fund, and to cities and counties from local option sales tax and lodging tax. It is likely the total impact is less than \$500,000.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 57	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan		DATE: 1/28/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Revenue estimate of minimal fiscal impact from LB 57.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 57	AM:	AGENCY/POLT. SUB: City of Omaha	
REVIEWED BY: Neil Sullivan		DATE: 1/16/2018	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the City of Omaha estimate of no current fiscal impact from LB 57. There is potential for future fiscal impact if ordinance imposing or enforcing short-term rental taxation were adopted.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 57	AM:	AGENCY/POLT. SUB: City of Lincoln
REVIEWED BY: Neil Sullivan	DATE: 1/23/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the City of Lincoln estimate of indeterminate fiscal impact from LB 57 related to taxation of short-term rentals.		

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

2019

LB⁽¹⁾ 57

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ CITY OF OMAHA

Prepared by: ⁽³⁾ TYLER LEIMER Date Prepared: ⁽⁴⁾ 1/18/2019 Phone: ⁽⁵⁾ 402-444-4514

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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: No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</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.

2019

LB⁽¹⁾ 57

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ James Van Bruggen Date Prepared: ⁽⁴⁾ 1/18/19 Phone: ⁽⁵⁾ 441-8301

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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 bill would allow the city to collect sales, occupational, or other similar taxes for short-term rentals. This would increase the city's revenues, however, without knowing occupancy rates and other pertinent data, an estimate of revenue would be incomplete.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</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.

2019

LB⁽¹⁾ 57

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Tourism Commission

Prepared by: ⁽³⁾ John Ricks Date Prepared: ⁽⁴⁾ 1/28/19 Phone: ⁽⁵⁾ 402-471-3796

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	Indeterminabl e	_____	Indeterminabl e
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: There would be an expected increase in revenue to the Commission's cash funds from this bill, but an estimate is indeterminable at this time.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____