

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				
CASH FUNDS	800,000 to 1,300,000	800,000 to 1,300,000	1,300,000	1,300,000
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	800,000 to 1,300,000	800,000 to 1,300,000	1,300,000	1,300,000

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

LB 86 would amend statutory provisions governing the documentary stamp tax assessed upon property sold in Nebraska. The existing documentary stamp tax assessment of \$2.25 cents for each \$1,000 dollars of value, of fraction thereof, would apply to the first \$1,000,000 of value. The existing distribution formula of the tax among counties and state funds would not be amended. For any value in excess of \$1,000,000, the documentary stamp tax would be \$3.25 cents for each \$1,000 of value, or fraction thereof. The additional \$1 of documentary stamp tax revenue would be deposited in the Affordable Housing Trust Fund.

There is no basis to disagree with the estimate of the Department of Revenue and the Department of Economic Development that \$1,300,000 would be deposited in the Affordable Housing Trust Fund on an annual basis as a result of LB 86. The amount of first year revenue collections would depend upon the effective date of the legislation, and may be lower than the full-year amount. It is estimated that the Department of Revenue could carry out the revisions contained in LB 86 utilizing existing staff.

The resulting increase in revenue would increase the amount of grants approved and paid from the Affordable Housing Trust Fund in the Department of Economic Development (DED.) The fund currently receives approximately \$10,900,000 in revenue annually from the existing documentary stamp tax assessment. A \$1,300,000 annual cash fund expenditure authority increase would be necessary to allow the agency to expend the increased revenue. It is estimated that existing staff could carry out approval and monitoring of the additional grants.

LB 86 also provides that there would be a percent of the Affordable Housing Trust Fund designated for use in extremely blighted areas. Because LB 86 does not designate a specific percentage, an estimate of the amount to be designated is not possible at this time.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 86	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan		DATE: 1/23/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 86.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 86	AM:	AGENCY/POLT. SUB: Department of Health and Human Services	
REVIEWED BY: Neil Sullivan		DATE: 1/23/2019	PHONE: (402) 471-4179
COMMENTS: Concur with the Department of Health and Human Services assessment of no fiscal impact from LB 86.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 86	AM:	AGENCY/POLT. SUB: Lancaster County
REVIEWED BY: Neil Sullivan	DATE: 1/23/2019	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Lancaster County estimate of no fiscal impact from LB 86.		

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Mike Michalski

Date Prepared 1-14-19

Phone: (5) 471-6719

	<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$0	\$0	\$0	\$0

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

Explanation of Estimate:

Currently, the documentary stamp tax assesses \$2.25 for each \$1,000.00 value of which \$.30 is placed in the Behavioral Health Services Trust funds to support housing related assistance. This bill makes no change in that allocation.

There is no fiscal impact to the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	NUMBER OF POSITIONS		2019-2020 EXPENDITURES	2020-2021 EXPENDITURES
	POSITION TITLE	19-20		
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			\$0	\$0

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

2019

LB⁽¹⁾ 86

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Economic Development

Prepared by: ⁽³⁾ Dave Rippe Date Prepared: ⁽⁴⁾ 1/17/2019 Phone: ⁽⁵⁾ 471-3777

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	(See Below)	\$758,333	(See Below)	\$1,300,000
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>(See Below)</u>	<u>\$758,333</u>	<u>(See Below)</u>	<u>\$1,300,000</u>

Explanation of Estimate:

LB86 adds a tax bracket to the Documentary Stamp Tax for real estate transfers greater than \$1 million, changes the distribution of the proceeds from the additional tax, and adds a new criterion for allocating grants made from the Affordable Housing Trust Fund.

LB86, as drafted, would raise the Doc Stamp tax for transfers over \$1 million by \$1 per \$1,000 of value, or fraction thereof from \$2.25 to \$3.25, and leave the current distribution of funds between the counties, the Site and Building Development Fund, the Homeless Shelter Assistance Trust Fund, and the Behavioral Health Services Fund unchanged. The additional proceeds from the new bracket would be distributed entirely from the Affordable Housing Trust Fund.

In addition, the bill would require the Department of Economic Development to allocate a currently unspecified percentage of grant awards to projects located in "extremely blighted" areas as defined in Section 18-2103. This would be a new requirement in addition to the current requirement that "the department shall make its best efforts to allocate not less than thirty percent of such funds to each congressional district."

It is estimated that the tax increase would result in an additional \$1.3 million from the tax in a full year. Assuming an operative date of October 2019, the first distribution to the cash fund would occur in December 2019. These funds will be awarded in early 2020; but due to the fact that most of these projects will take 2-3 years to complete, not all of the new grant money will be expended in the fiscal year in which it is received or awarded.

As drafted, the increase in available funds to the Affordable Housing program will result in more and larger grants under the program. These provisions can be accomplished within current departmental resources and staff.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	\$0	\$0

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

2019

LB⁽¹⁾ 86

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Assessor/ROD

Prepared by: ⁽³⁾ Scott Gaines Date Prepared: ⁽⁴⁾ 1/15/19 Phone: ⁽⁵⁾ 402-441-6580

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Explanation of Estimate:

No fiscal impact to Lancaster County. Some minor programming changes would be required, but should not require any material expenditures.

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.....	_____	_____	_____	_____