

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

Revised for AM2594, AM2919 and to correct a technical error in the prior FN

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$82,703		\$126,275	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$82,703</b>		<b>\$126,275</b>	

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

LB1301 adds conditions to the right of an alien not residing within the United States or its territories to take either real or personal property, allows for a receiver to be appointed by the district court in an action under the Foreign-owned Real Estate National Security Act, allows a person to be disqualified to take as an heir if provided for in the Foreign-owned Real Estate National Security Act, and creates the Foreign-owned Real Estate National Security Act. The Foreign-owned Real Estate National Security Act does the following:

- Sets definitions;
- Bans a nonresident alien who is not a citizen or national of the United States, a foreign corporation, or a foreign government, its states, or its political subdivisions from purchasing, acquiring title to, taking, or holding real property or holding a lease greater than five years;
- Requires nonresident aliens to be in compliance with the federal Agricultural Foreign Investment Disclosure Act;
- Creates a process for divestment for lack of compliance under the act;
- Requires the Department of Agriculture to investigate violations under the act and requires the Department to refer violations to the Attorney General or retain outside counsel;
- Allows for any person to notify the Department of Agriculture or the Attorney General of a violation or potential violation of the act;
- Allows for an action for divestment to be filed by the Attorney General or retained outside counsel, describes the filing location, describes the copy of the petition to be served;
- Requires the Attorney General or retained outside counsel to make discovery related to fraudulent financial statements;
- Requires the respondent to file an answer within thirty days after service of process being made;
- Grants the court power to hear and determine the questions presented in such case and to declare such real estate to be divested;
- Authorizes the proceeds of the divestment;
- Allows for the court to terminate a lease;
- Should real estate be escheated to the state, the Department of Administrative Services shall sell such real estate at public auction;
- Allows nonresident aliens but bans a restricted entity from purchasing, acquiring, and holding title to or be a lessor or lessee of as much real estate as shall be necessary for the purpose of erecting thereon manufacturing or industrial establishments;
- Restricts the Foreign-owned Real Estate National Security Act from applying within the corporate limits of cities and villages, or within three miles thereof, no to any manufacturing or industrial establishment;
- Requires the Attorney General to establish a process to have concerns submitted;
- Allows the Attorney General to submit a memorandum or report concerning non-notified real estate transactions that have been identified;
- Requires the Attorney General to retain a copy of any documents submitted to the Committee on Foreign Investment in the United States and notify the Legislature and the Governor as soon as practicable after submitting the documents;
- Requires the Attorney General or retained outside counsel to commence action in court, creates conditions for commencement of the action and prescribes the location of the court action;
- Creates powers in the court to declare real estate divestment;
- Requires the Real Estate Commission to compile a map identifying all restricted areas in this state on or before January 1, 2025 and describes the map;
- Requires sale of real estate ordered to be divested to be sold at public auction no later than one year after the date of such divestment;

- Excludes titles from being declared invalid by reason of former ownership;
- Clarifies investigation power and determination of violation of the act is to be vested in the Attorney General and Department of Agriculture;
- Penalties collected shall be remitted to the State Treasurer in accordance with Article VII, Section 5 of the Constitution of Nebraska;
- Allows for the Attorney General and Nebraska Department of Agriculture to promulgate rules and regulations under the act;

Concur with the Department of Agriculture that fiscal impact is largely dependent upon need to retain outside counsel, fiscal impact provided by the Department appears reasonable.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1301	AM: 2594	AGENCY/POLT. SUB: State Treasurer's Office
REVIEWED BY: Ryan Walton	DATE: 3/25/2024	PHONE: (402) 471-4174
COMMENTS: The State Treasurer's assessment of fiscal impact from LB 1301, as amended, appears reasonable.		

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

**2024**

**LB<sup>(1)</sup> 1301, AM 2919, AM 2594 & FA 205**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters Date Prepared: <sup>(4)</sup> March 21, 2024 Phone: <sup>(5)</sup> 402-471-2793

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2024-25</u>		<u>FY 2025-26</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 State Treasurer’s Office doesn’t expect any fiscal impact from LB 1301, AM 2919 or AM 2594 or FA 205 to the office.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____