

Revised to correct revenue timing and expenditures

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$4,437,360		\$4,986,200
CASH FUNDS	\$1,865,470	\$10,730,440	\$8,777,440	\$18,947,560
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$1,865,470	\$15,167,800	\$8,777,440	\$23,933,760

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

This fiscal note has been updated as the total revenue impacts each year in the below table remain the same but the distributions have been corrected to align with the proper timing into each of the funds. This also changes the amounts for the Department of Economic (DED) expenditures for both FY 24-25 and FY 25-26.

LB 1363 would increase the documentary stamp tax from \$2.25 to \$3.50 for each \$1,000 value of real estate, or fraction thereof.

The bill would also change the distribution of the tax.

Currently, the tax is distributed as follows:

- \$0.50 to county general funds
- \$0.95 to the Affordable Housing Trust Fund
- \$0.25 to the Site and Building Development Fund
- \$0.25 to the Homeless Shelter Assistance Trust Fund
- \$0.30 to the Behavioral Health Services Fund

The bill would change the distribution to the following:

- \$0.55 to county general funds
- \$1.20 to the Affordable Housing Trust Fund (AHTF) for the purposes of providing at least:
 - 15% to emerging developers
 - 15% to site preparation, including federal low-income housing tax credit eligible site preparation
 - 15% for populations at high risk of homelessness including, but not limited to, senior adults, individuals impacted by the criminal justice system, and individuals experiencing physical or developmental disabilities
 - 15% for development of affordable housing units eligible for federal low-income housing tax credits
 - 20% for the Middle Income Workforce Housing Investment Act
 - 20% for the Rural Workforce Housing Investment Act
- \$0.25 to the Site and Building Development Fund
- \$0.25 to the Homeless Shelter Assistance Trust Fund
- \$0.35 to the Behavioral Health Services Fund (BHSF)
- \$0.10 to the Economic Recovery Contingency Fund (ERCF) for the establishment and operation of an office to pursue and coordinate grant funding on behalf of the state
- \$0.25 to the Military Base Development and Support Fund (MBDSF) to make distributions of:
 - \$500,000 annually for the U.S. Department of Defense SkillBridge program
 - \$500,000 as a grant to programs providing mental health services for veterans
 - \$500,000 for military research and development planning
 - \$500,000 to support veteran businesses
- \$0.25 to the Innovation Hub Cash Fund for operational support of innovation hubs
- \$0.25 to federally qualified health centers distributed in proportion to the total number of individuals served at each center
- \$0.05 to the Nebraska Film Office Fund (NFOF)

The bill would become operative on October 1, 2024.

TECHNICAL NOTE: The bill does not specify the fund for the \$0.25 distribution to federally qualified health centers. Given this, the distribution is assumed to go to the General Fund. Additionally, the bill does not assign responsibilities regarding the centers to an agency. The Department of Health and Human Services has historically administered programs connected to federally qualified health centers. Depending on the responsibilities for an agency connected to these health centers, this could result in additional costs under this bill.

The Department of Revenue (DOR) estimates the following total increase to all funds as a result of this bill:

- FY 24-25: \$16,136,000
- FY 25-26: \$24,931,000
- FY 26-27: \$25,679,000
- FY 27-28: \$26,449,000

The DOR estimates minimal costs to it as a result of the bill.

We have provided a table below that illustrates the increases to funds as a result of this bill based upon the totals calculated by the DOR:

	County GF (\$0.05 increase)	AHTF (\$0.25 increase)	BHSF (\$0.05 increase)	ERCF (\$0.10)	MBDSF (\$0.25)	iHub (\$0.25)	Health Centers (\$0.25)	NFOF (\$0.05)	Total
FY 24-25	\$ 968,200	\$ 2,823,800	\$ 564,760	\$ 1,129,520	\$ 2,823,800	\$ 2,823,800	\$ 4,437,360	\$ 564,760	\$ 16,136,000
FY 25-26	\$ 997,240	\$ 4,986,200	\$ 997,240	\$ 1,994,480	\$ 4,986,200	\$ 4,986,200	\$ 4,986,200	\$ 997,240	\$ 24,931,000

The Department of Economic Development (DED) estimates a need for 1.5 FTE Economic Development Consultant in FY25 and 2.0 FTE of the position in FY26 and operational costs for responsibilities under the Affordable Housing Program and additional responsibilities under the bill. The DED estimates a need for appropriation to expend the revenue increases under this bill based upon these personnel and operational costs as well as for aid. This would result in expenditures of 25% of increased revenues for DED in FY25 and 75% of increased revenues from FY25 and 25% of increased revenues for DED from FY26 for FY26 expenditures. The expenditure amounts are based on DOR's estimate of increased revenues.

The State Treasurer estimates no fiscal impact to it as a result of this bill. There is no basis to disagree with this estimate.

The Department of Health and Humans Services estimates no fiscal impact to it but is estimated to see an increase in revenues based upon changes to funds as a result of this bill.

The Department of Veterans Affairs estimates a need for \$30,000 annually as a result of its responsibilities under this bill. There is no basis to disagree with this estimate, except we estimate these expenditures from the MBDSF.

Counties are estimated to have a revenue increase to their county general funds as a result of this bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1363	AM:	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Economic Development assessment of fiscal impact from LB 1363.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1363	AM:	AGENCY/POLT. SUB: Department of Health & Human Services
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Health & Human Services assessment of no expenditure impact from LB 1363, however revenue into the Behavioral Health Services Fund would increase.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1363	AM:	AGENCY/POLT. SUB: State Treasurer
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: The State Treasurer assessment of no fiscal impact from LB 1363 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1363	AM:	AGENCY/POLT. SUB: Department of Veterans Affairs
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: Disagree with the Department of Veterans Affairs assessment of fiscal impact from LB 1363. Revenue and expenditure would be impacted within the agency's Military Base Development and Support Fund.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1363	AM:	AGENCY/POLT. SUB: Douglas County Assessor
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Douglas County Assessor assessment of fiscal impact from LB 1363.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1363	AM:	AGENCY/POLT. SUB: Lancaster County
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Lancaster County assessment of fiscal impact from LB 1363.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1363	AM:	AGENCY/POLT. SUB: Lancaster County Assessor
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Lancaster County Assessor assessment of no fiscal impact from LB 1363.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1363	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Nebraska Association of County Officials assessment of fiscal impact from LB 1363.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1363	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/20/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Revenue assessment of overall fiscal impact from LB 1363, except that the cash fund revenue impact would occur for funds within other agencies.		

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Prepared by: (3) John Meals

Date Prepared 2-15-2024

Phone: (5) 471-6719

	<u>FY 2024-2025</u>		<u>FY 2025-2026</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:

LB1363 has no impact to the Department of Health and Human Services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES:	POSITION TITLE	NUMBER OF POSITIONS		2024-2025	2025-2026
		24-25	25-26	EXPENDITURES	EXPENDITURES
Benefits.....					
Operating.....					
Travel.....					
Capital Outlay.....					
Aid.....					
Capital Improvements.....					
TOTAL.....				\$0	\$0

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

2024

LB⁽¹⁾ 1363

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Douglas County Assessor/Register of Deeds Office

Prepared by: ⁽³⁾ Michael Goodwillie Date Prepared: ⁽⁴⁾ 1/25/2024 Phone: ⁽⁵⁾ (402) 444-6703

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	_____	<u>\$225,000</u>	_____	<u>\$270,000</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>\$225,000</u>	<u>0</u>	<u>\$270,000</u>

Explanation of Estimate: LB 1363 would increase documentary stamp taxes from \$2.25 for each \$1,000 in value in a real estate transaction to \$3.50. It would also change the amount of documentary stamp tax money that goes to the county general fund (documentary stamp taxes are paid at the register of deeds office when deeds are recorded) from \$.50 per \$1,000 to \$.55. The remainder of the increased funds collected would go to a variety of recipients.

Our office does not believe that the changes to the fee structure would impact our administrative function. Our staffers will record documents and collect the documentary stamp taxes regardless of the fees.

There will be additional revenue to the county’s general fund. In the Revenue section of the note, I estimated the amount to the county general fund, not the total amount collected. But the estimate was based on this:

Last year our office collected a little over \$10 million at the \$2.25 rate and \$2.252 million went to the county’s general fund. Using the same number of transactions at the new rate resulted in potential total collections of \$15.76 million and \$2.477 million to the county’s general fund—a difference of \$225,000. This past year had far fewer transactions recorded than in the year before, so the 25-26 estimate was a little higher, anticipating an uptick in recorded transactions and documentary stamp tax collections.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

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

Capital improvements.....

TOTAL.....

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

2024

LB⁽¹⁾ 1363

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Assessor/Register of Deeds

Prepared by: ⁽³⁾ Dan Nolte Date Prepared: ⁽⁴⁾ 01/18/24 Phone: ⁽⁵⁾ 402-441-7463

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 proposed legislation will have no fiscal impact on this 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.....	_____	_____	_____	_____

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

2024

LB⁽¹⁾ 1363

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 1/22/2024 Phone: ⁽⁵⁾ 402.434.5660

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:

LB 1363 would change provisions relating to the rate and disbursement of the documentary stamp tax, the Military Base Development and Support Fund, the Nebraska Film Office Fund, the Innovation Hub Cash Fund, and the Economic Recovery Contingency Fund. The documentary stamp tax would be increased from \$2.25 for each one thousand dollars value to \$3.50 for each one thousand dollars value.

The fiscal impact to counties is unknown; however, there would be an additional \$.05 cents added to the current \$.50 and placed in the county general fund from the documentary stamp tax.

In 2022, the collection fee retained by counties was \$8,755,006.12 ($\$8,755,006 / \$.50 = 17,510,012$) Assuming the number would remain the same, a fiscal increase of \$875,501 would occur.

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.....	_____	_____	_____	_____

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

2024

LB⁽¹⁾ 1363

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Veterans Affairs (NDVA)

Prepared by: ⁽³⁾ Nicole S Zimmermann Date Prepared: ⁽⁴⁾ 1/18/2024 Phone: ⁽⁵⁾ 531-220-1433

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	30,000		30,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	30,000		30,000	

Explanation of Estimate:

LB 1363 would have a fiscal impact of approximately \$30,000 annually in additional operational expenses to administer the additional grant programs added to LB1363.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2024-25 EXPENDITURES	2025-26 EXPENDITURES
	24-25	25-26		
Benefits.....				
Operating.....			30,000	30,000
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			30,000	30,000

- c. Five hundred thousand dollars for military research and development planning; and
- d. Five hundred thousand dollars to support veteran businesses;
- 7. Twenty-five cents to the Innovation Hub Cash Fund for the operational support of innovation hubs
- 8. Twenty-five cents to the federally qualified health centers distributed in proportion to the total number of individuals served at each federally qualified health center; and
- 9. Five cents to the Nebraska Film Office Fund.

It is estimated that the increase in the documentary stamp tax rate will result in an increase to the various funds as follows:

Fiscal Year	Various Funds
2024-25	\$16,136,000
2025-26	\$24,931,000
2026-27	\$25,679,000
2027-28	\$26,449,000

It is estimated that this bill will have no impact on General Fund revenues.

It is estimated that there will be minimal costs to the Department of Revenue to implement this bill.

The operative date for this bill is October 1, 2024.

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

2024

LB⁽¹⁾ 1363

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ Jan. 22, 2024 Phone: ⁽⁵⁾ 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 1363 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.....	_____	_____	_____	_____

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

2024

LB⁽¹⁾ 1363-Revised

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearthmont Date Prepared: ⁽⁴⁾ 2/08/2024 Phone: ⁽⁵⁾ 402-471-3777

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	\$1,420,740	\$5,682,950	\$6,834,260	\$10,288,200
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$1,420,740</u>	<u>\$5,682,950</u>	<u>\$6,834,260</u>	<u>\$10,288,200</u>

Explanation of Estimate:

LB1363 changes the rate on the Documentary Stamp Tax, changes the distribution of the tax, and creates four new cash funds. The tax rate would be increased from \$2.25/\$1000 of value or fraction thereof, to \$3.50/\$1000 of value. The table below presents the current distribution of the tax, and below is the distribution proposed by LB1363.

Existing Support from Tax:	County	Affordable Housing Trust Fund	Site & Building Fund	Homeless Shelter Assistance Fund	Behavioral Health	Current Total
Current Distribution:	\$0.50	\$0.95	\$0.25	\$0.25	\$0.30	\$2.25
LB1363 Current Funds Distribution:	\$0.55	\$1.20	\$0.25	\$0.25	\$0.35	
LB1363 New Funds Distribution:	Econ. Recovery Contingency	Military Base Dev. & Support Fund	Fed Qualified Health Center	iHub Cash Fund	NE Film Office Fund	LB1363 Total
Amount:	\$0.10	\$0.25	\$0.25	\$0.25	\$0.05	\$3.50

In addition to the new funds and distributions, the bill adds some required spending for the Affordable Housing Trust Fund (AHTF) and the new Military Base Development and Support Fund (MBDS). AHTF would be divided into the following amounts:

- 15% (\$0.18) to emerging developers
- 15% (\$0.18) for site preparation, including at federal low-income tax credit-eligible sites
- 15% (\$0.18) for populations at a high risk for homelessness
- 15% (\$0.18) for development of affordable housing
- 20% (\$0.24) for the Middle-Income Workforce Housing Act
- 20% (\$0.24) for the Rural Workforce Housing Act

The MDBS, which would provide funding to support businesses and amenities linked to military installations and to enhance business attraction and economic growth in the military sector, would be divided to include the following distributions:

- \$500,000 annually for US DOD SkillBridge Program
- \$500,000 for grants providing veteran mental health services

- \$500,000 for military research and development planning
- \$500,000 to support veteran businesses

DED assumes that, in addition to the Affordable Housing Trust Fund and the Site and Building Development Fund, four of the new or expanded cash funds—the Economic Recovery Contingency Fund, the Innovation Hub Cash Fund, and the Nebraska Film Office Cash Fund—will be administered by DED. This assumes that the new Federally Qualified Health Center fund and the Military Base Development and Support Fund will not be administered by DED and is not contained in the revenue estimate.

DED estimates that the combined increase in the tax rate and the new funds administered by DED will result in an increase of approximately \$6.529 million in FY2024-25 and \$14.050 and \$14.245 million in FY2024-25 and FY2025-26, respectively. Most of the functions added by the provisions of LB1363 are currently administered by DED; however, not all are. These include new programs for emerging developers and high-risk populations in the current Affordable Housing program, and the military base development fund. This combined with the large increase in cash funds will require the services of two Economic Development Consultant II positions, to assist in developing and managing new and expanded grant programs. In addition, operating expenses would include \$39,560 for software licenses for grant management software for the additional funding and \$5,970 for additional rented space.

The bill has an operative date of 10/1/2024. DED assumes that the first transfers to the various funds supported by the Doc Stamp tax will not accrue to the funds until December 2024.

Note: The FY2024-25 cash funds contain increased funding from FY2023-24 and FY2024-25. DED also assumes that the new funds will be spent 25% the first year and 75% the second. LB1363 contains no appropriation language for these funds. However, DED assumes that there will be an A-Bill for LB1363.

Note: The percentage division of funds required for the AHTF program is in addition to division of these funds by Congressional District. Fixed percentages make it difficult to efficiently manage grant programs.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2024-25	2025-26
	24-25	25-26	EXPENDITURES	EXPENDITURES
A49012 Econ. Dev. Bus. Consultant II	1.5	2.0	\$102,710	\$136,950
Benefits.....			35,950	47,930
Operating.....			70,830	82,220
Travel.....			10,200	14,380
Capital outlay.....			17,200	0
Aid.....			1,183,850	6,552,780
Capital improvements.....			0	0
TOTAL.....			\$1,420,740	\$6,834,260

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

2024

LB⁽¹⁾ 1363

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County (Budget & Fiscal)

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1-25-24 Phone: ⁽⁵⁾ 402-441-6869

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:

LB 1363 increases the amount the register of deeds retains from fifty cents to fifty-five cents. Lancaster County has averaged \$1.3 million in collections over the last three fiscal years. A 10% increase would result in approximately an additional \$130,000 collected by Lancaster County.

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.....	_____	_____	_____	_____