Eric Kasik January 30, 2025 402-471-0053

LB 458

Revision: 1 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to include additional responses.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 202	25-26	FY 20	26-27		
	EXPENDITURES	REVENUE	EXPENDITURES REVENUE			
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS						

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

LB 458 amends statute.

It creates the Permitting Approval Timeliness Act. The act:

- Requires a decision for a permit application be complete in 60 days or less.
- Requires a reason be provided for a denial or a conditional approval. The denial must be based on applicable laws and regulations.
- Sets parameters for an appeal of a denial.

It creates the By-Right Housing Development Act. The act:

- Provides approval for housing developments that meet required zoning codes and regulation without the approval of a commission, zoning board or regulator.
- Ensures duplex and manufactured housing be allowed on lots where single family homes are allowed.
- Ensures lots with single family homes are allowed to add accessory units and provides size requirements for such units.
- Disallows municipalities from making certain requirements for accessory units and sets limits on fees that can be charged for applications to build such units.

It makes various changes to how counties can sell properties due to unpaid property taxes:

- It adjusts timeframes for a land bank to acquire a property
- It increases the fee the treasurer charges to advertise delinquent property from \$5 to \$20.
- It sets intent to examine the fee every 5 years.
- It allows the county treasurer to designate someone to facilitate the sale of a delinquent property.
- It changes specific requirements or the purchase certificate provided to the new owner.
- It changes an administrative fee from \$100 to \$150
- It changes a fee for issuing a certificate from \$20 to \$25
- It removes a \$2 fee for a memorandum of redemption receipt
- It removes a \$1 fee for a service of notice.
- It changes a fee for publication from \$5 to \$20
- It outlines timeframes for how a purchaser of vacant or abandoned real estate may apply for a tax deed.
- · It outlines when real estate may be considered vacant or abandoned

This will change the revenue for local municipalities. The Lancaster County Treasurer estimates more revenue than expenses over the next 2 years in relation to these changes. The city of Norfolk estimates they will have to hire an additional staff member but do not estimate increased revenue.

No fiscal Impact to state government.

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ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 458	AM:	AGENCY/POLT. SUB: Supreme Court	
REVIEWED BY	: Ryan Yang	DATE: 1/28/2025	PHONE: (402) 471-4178

COMMENTS: No basis to disagree with the Supreme Court assessment of no fiscal impact from LB 458.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 458	AM:	AGENCY/POLT. SUB: State Treasurer				
REVIEWED E	3Y: Ryan Yang	DATE: 1/30/2025	PHONE: (402) 471-4178			
COMMENTS: No basis to disagree with the State Treasurer assessment of no fiscal impact from LB 458.						

LB: 458 AM: AGENCY/POLT. SUB: Lancaster County Treasurer					
REVIEWED BY: Ryan Yang	DATE: 1/29/2025	PHONE: (402) 471-4178			
COMMENTS: No basis to disagree with the Lancaster County Treasurer assessment of fiscal impact from LB 458.					

LB: 458	AM:	AGENCY/POLT. SUB: Ci	ty of Norfolk		
REVIEWED E	3Y: Ryan Yang	DATE: 1/30/2025	PHONE: (402) 471-4178		
COMMENTS: No basis to disagree with the City of Norfolk assessment of fiscal impact from LB 458.					

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

LB ⁽¹⁾ 458				FISCAL NOTE
State Agency OR Po	blitical Subdivision Name: ⁽²⁾	Lancaster County	Treasurer	
Prepared by: (3)	Rachel Garver	Date Prepared: ⁽⁴⁾	Jan. 28, 2025 Phone:	(5) 402-441-7425
	ESTIMATE PROVI	DED BY STATE AGEN	ICY OR POLITICAL SUBDIV	/ISION
	<u>FY 9</u> EXPENDITURES	2025-26 REVENUE	<u>FY 20</u> EXPENDITURES	<u>26-27</u> REVENUE
GENERAL FUND		\$19,835.00	\$9,763.64	\$19,835.00
CASH FUNDS				
FEDERAL FUND	S			
OTHER FUNDS				
TOTAL FUNDS	\$23,406.42	\$19,835.00	\$9,763.64	\$19,835.00

Explanation of Estimate:

Both the expenditures and the revenue are dependent upon the number of delinquent parcels. The average number of delinquent parcels from the last five years was used for the number of parcels placed in the newspaper ad, the number of parcels sold at the tax sale, and the number of annual redemptions.

Expenditures for 2025-26 departmental costs, the costs for the required advertising in the newspaper and programming costs. Expenditures for 2026-27 did not have programming costs.

Revenue includes a \$15 increase of the fee to the county to cover the cost of advertising, \$5 increase in the certificate issuing fee, and less the elimination of the \$2 redemption fee.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services: NUMBER OF POSITIONS 2025-26 2026-27 POSITION TITLE **EXPENDITURES** 25-26 26-27 **EXPENDITURES** Benefits Operating..... Travel..... Capital outlay..... Aid..... Capital improvements..... TOTAL

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 458				FISCAL NOTE
State Agency OR I	olitical Subdivision Name: ⁽²⁾	City of Norfolk		
Prepared by: ⁽³⁾	Randy Gates	Date Prepared: ⁽⁴⁾	1/29/25 P	hone: ⁽⁵⁾ (402)844-2011
	ESTIMATE PROV	IDED BY STATE AGEN	ICY OR POLITICAL SU	UBDIVISION
	EV	2027 ac		EV 4046 45
	<u>EXPENDITURES</u>	<u>2025-26</u> <u>REVENUE</u>	<u>EXPENDITURE</u>	<u>FY 2026-27</u> 2 <u>S REVENUE</u>
GENERAL FUN	DS \$97,679		\$94,971	_
CASH FUNDS				
FEDERAL FUN	DS			_
OTHER FUNDS				_
TOTAL FUNDS	<u>\$97,679</u>		\$94,971	

Explanation of Estimate:

LB 458 requires issuance of permits within 60 days. While the 60-day timeline is often achievable, the process can be more complex for certain permit requests. Each aspect of permit review is staffed by a single reviewer responsible for approving their respective portion of such application. For more intricate projects, such as those requiring specialized studies or large submissions with hundreds of pages of documentation and multiple structures, meeting the timeline can be challenging. To ensure a thorough review and issuance within 60 days, Norfolk anticipates an additional plan reviewer will be required with a starting monthly salary of \$4969. A 5% step increase is anticipated at 6 months and another 5% step increase a year later. Benefits are estimated at 50% of salary. Expenses of equipping an office for the employee are estimated at \$5000 in the first year. Annual operating expenses such as training, software subscriptions, etc. are estimated at \$1000 annually.

	NUMBER OF	POSITIONS	2025-26	2026-27
POSITION TITLE	25-26	26-27	EXPENDITURES	EXPENDITURES
Plan Reviewer	1	1	\$61,119	\$62,647
Benefits	<u></u>		\$30,560	\$31,324
Operating			\$1,000	\$1,000
Travel				
Capital outlay			\$5,000	
Aid				
Capital improvements				
TOTAL			\$97,679	\$94,971

LB 0458

Fiscal Note 2025

State Agency Estimate						
State Agency Name: Department of	Revenue				Date Due LFO:	
Approved by: James R. Kamm		Date Prepared:	01/27/2025		Phone: 471-5896	
<u>FY 2025-2026</u> <u>FY 2026-2027</u> <u>FY 2027-</u> 2					7-2028	
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

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Sections 1-7 of LB 458 creates the Permitting Approval Timeliness Act (PAT Act) for the purpose of ensuring timeliness, providing transparency and protecting rights during property development and permit application process. The PAT Act requires state or local permitting authorities process applications for permits required to develop or make improvements to real property within 60 days after submission or the permits will be automatically granted. The permitting authority must provide a final decision with reasoning for denying an application. The PAT Act will not apply if a statute already provides a more specific permit application process.

Sections 8-14 of LB 458 creates the By-Right Housing Development Act (BRHD Act) for the purpose of addressing statewide housing shortages and promoting affordability. The BRHD Act applies to the housing development approval process to the extent such process is not otherwise controlled by more specific statute. The Act2 defines "multi-family", "single-family" housing unit and "accessory dwelling unit". The BRHD Act defines "By-Right Housing Development" as a housing development that includes single-family homes, multifamily housing units, accessory dwelling units, or any combination thereof and which meets applicable zoning codes and land-use regulations. The BRHD Act provides that By-right housing developments shall be approved without the need for discretionary review or approval by any planning commission, zoning board, or other regulatory authority. The BRHD Act provides that regulatory authorities shall monitor by-right housing developments to ensure compliance with applicable standards and regulations. It further provides that noncompliance may result in enforcement actions such as fines, penalties or project modifications to bring the development into compliance. The BRHD Act provides it shall not be constructed to limit the legality, enforceability, or effective of restrictive covenants or homeowner's association regulations.

Section 15 of LB 458 provides definitions and requires the zoning regulations of any municipality be adopted in accordance with a comprehensive plan; design to secure safety from fire and other dangers; promote public health, safety and welfare; and facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements. The BRHD Act requires the municipality make various considerations in adopting zoning regulations. The BRHD Act also requires cities of the metropolitan, primary, and first class allow duplex housing and manufactured homes on any lots where single-family residences are permitted and prohibits zoning regulations that are more restrictive than single-family regulations on duplex and manufacture homes.

Major Objects of Expenditure								
<u>Class Code</u>	Classification Title	25-26 <u>FTE</u>	26-27 <u>FTE</u>	27-28 <u>FTE</u>	25-26 <u>Expenditures</u>	26-27 <u>Expenditures</u>	27-28 <u>Expenditures</u>	
Benefits								
Travel								
Capital Outlay								
	nts							

Section 16 of LB 458 provides definitions and restrictions on municipal buildings codes.

Section 17-37 of LB 458 provides various changes to county processes for the sale of properties delinquent on property tax payments. LB 458 provides alternative time periods for a land bank or purchaser to apply to the county treasurer for a tax deed or bring action to foreclose the lien on a property for the nonpayment of taxes depending on whether the property is considered vacant and abandoned. Under current law, the county treasurer is required to hold a delinquent property tax auction each March at their office. The bill will allow the auction to occur at a separate designated location. This bill increases the fee assessed by the treasurer on property taxes due for advertising delinquent property from \$5 to \$20 and declares the legislature's intent to examine the fee every five years beginning in 2030. A person attempting to redeem delinquent property must pay the new fee before redeeming. Under current law, only the county treasurer may commence the sale and operate the auction of delinquent property and is subject to \$50 fee for not attending. LB 458 enables the county treasurer to designate someone else to complete and participate in all relevant functions of the sale or auction of delinquent property. This bill changes requirements for the delinquent property purchase certificate issued by the county treasurer to the purchaser of delinquent property. It also changes the administrative fee charged to the property owner for the purchaser's service of notice from the greater of \$100 or the actual costs to a flat rate of \$150. The county treasurer's fee for issuing a certificate is increased from \$20 to \$25. The county treasurer may no longer charge \$2 fee for a memorandum of redemption receipt and \$1 fee for each copy of notice filed with them by a purchaser of delinquent property.

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

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 45	58					FISCAL NOTE
State Agency	OR Politio	cal Subdivision Name: ⁽²⁾	State Treasurer			
Prepared by:	: (3) Jas	son Walters	Date Prepared: ⁽⁴⁾	January 29, 2025	Phone: ⁽⁵⁾	402-471-2793
		ESTIMATE PROVI	DED BY STATE AGEN	ICY OR POLITICAL	<u>SUBDIVIS</u>	ION
		FY 6	2025-26		FY 2026	-9.7
		EXPENDITURES	<u>REVENUE</u>	EXPENDITU		REVENUE
GENERAL I	FUNDS					
CASH FUNI	DS					
FEDERAL F	TUNDS					
OTHER FU	NDS					
TOTAL FU	NDS					

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB 458 to the office.

<u>BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE</u>							
Personal Services:							
POSITION TITLE	NUMBER OF 25-26	POSITIONS 26-27	2025-26 EXPENDITURES	2026-27 EXPENDITURES			
		20 21					
		·					
Benefits							
Operating							
Travel							
Capital outlay							
Aid							
Capital improvements							
TOTAL							

Please complete <u>ALL</u> (5) blanks in the first three lines.

LB ⁽¹⁾ 45	8			FISCAL NOTE	
State Agency	OR Political Subdivision Name: ⁽²⁾	05 Supreme Court			
Prepared by:	(3) Eric Asboe	Date Prepared: ⁽⁴⁾	1/27/2025 Pl	hone: (5) 402-326-9215	
	ESTIMATE PROVI	IDED BY STATE AGEN	CY OR POLITICAL SU	JBDIVISION	
	FY	2025-26		FY 2026-27	
	EXPENDITURES		<u>EXPENDITURE</u>		
GENERAL H	UNDS				
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS		_			
Explanation	of Estimate:				

Minimal fiscal impact to provide judicial and staff education. No additional resources required.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE								
Personal Services:								
	NUMBER OF POSITIONS		2025-26	2026-27				
POSITION TITLE	25-26	26-27	EXPENDITURES	EXPENDITURES				
Benefits								
Operating								
Travel								
Capital outlay								
Aid								
Capital improvements								
TOTAL								