

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		See Below		See Below
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
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 99 removes percentage limitations for political subdivisions to declare areas as extremely blighted. Areas designated as blighted and extremely blighted would be eligible for a 1% bonus wage and investment tax credit under the ImagiNE Nebraska Act. Designation of areas as extremely blighted would be up to the discretion of political subdivisions. We concur with DED that an expansion of areas designated extremely blighted would expand the amount of tax credits awarded under ImagiNE Nebraska. We have no reason to dispute that they could absorb additional work associated with this legislation. The process of declaring an area extremely blighted is outlined in 18-2101.02 and is as follows:

Prior to making such declaration, the governing body of the city shall conduct or cause to be conducted a study or an analysis on whether the area is extremely blighted and shall submit the question of whether such area is extremely blighted to the planning commission or board of the city for its review and recommendation. The planning commission or board shall hold a public hearing on the question after giving notice of the hearing as provided in section [18-2115.01](#). The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

Upon receipt of the recommendations of the planning commission or board, or if no recommendations are received within thirty days after the public hearing required under subsection (2) of this section, the governing body shall hold a public hearing on the question of whether the area is extremely blighted after giving notice of the hearing as provided in section [18-2115.01](#). At the public hearing, all interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed declaration. After such hearing, the governing body of the city may make its declaration.

Copies of each study or analysis conducted pursuant to subsection (2) of this section shall be posted on the city's public web site or made available for public inspection at a location designated by the city.

The study or analysis required under subsection (2) of this section may be conducted in conjunction with the study or analysis required under section [18-2109](#). The hearings required under this section may be held in conjunction with the hearings required under section [18-2109](#).

The cities of Lincoln and Imperial estimate no fiscal impact as a result of this legislation. We have no reason to dispute their estimates. Should there be an expansion of areas declared extremely blighted, there will be a fiscal impact resulting from the 1% bonus tax credit. However, as the process for declaring an area extremely blighted is contingent upon actions by political subdivisions, it is difficult to estimate the fiscal impact resulting from the 1% bonus tax credit. If use of the credit expands, it will result in General Fund revenue loss, the amount of which is indeterminate.

CONTINUED

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 99	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Jacob Leaver	DATE: 1/22/2021	PHONE: (402) 471-4173	
COMMENTS: No basis to disagree with the Department of Economic Development's estimate of no fiscal impact to the agency as a result of LB 99.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 99	AM:	AGENCY/POLT. SUB: City of Imperial	
REVIEWED BY: Joe Wilcox	DATE: 01/11/2021	PHONE: (402) 471-4178	
COMMENTS: No basis to dispute the City of Imperial estimate of No Fiscal Impact to the City from LB 99.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 99	AM:	AGENCY/POLT. SUB: City of Lincoln	
REVIEWED BY: Jacob Leaver	DATE: 1/19/2021	PHONE: (402) 471-4173	
COMMENTS: No basis to dispute the City of Lincoln's estimate of no fiscal impact to the city as a result of LB 99.			

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

2021

LB⁽¹⁾ 99

FISCAL NOTE

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

Prepared by: ⁽³⁾ Anthony Goins Date Prepared: ⁽⁴⁾ 1/20/2021 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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:

LB99 changes provisions of the Community Development Law relating to limitations on blighted areas.

The provisions of LB99 do not appear to affect any of the housing programs administered by DED.

However, because LB99 expands the area that could be declared blighted by not counting the portions of blighted areas that are extremely blighted, and because ImagiNE allows for an additional 1% bonus wage tax credit and an additional 1% bonus investment tax credit for locations that are extremely blighted areas, the bill could increase the amount of investment and compensation tax credits awarded under the ImagiNE Act.

Because the decision to declare a blighted area as extremely blighted is a local decision, it is unknown at this time how much, if any, General Fund impact could be attributed to LB99. This will depend upon how many cities and how much area can be designated as extremely blighted. In addition, any expansion of tax credits awarded under the ImagiNE act due to LB99 would be subject to limitations of the base authority in ImagiNE.

The DED can absorb any additional work in identifying extremely blighted areas that contain ImagiNE locations with current resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</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.

2021

LB⁽¹⁾ 99

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jo Leyland Date Prepared: ⁽⁴⁾ 01-11-2021 Phone: ⁽⁵⁾ 308-882-4368

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</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.

2021

LB⁽¹⁾ 99

FISCAL NOTE

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

Prepared by: ⁽³⁾ James Van Bruggen Date Prepared: ⁽⁴⁾ 1/18/21 Phone: ⁽⁵⁾ 402-441-8301

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</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 new exemption would provide more future development projects in extremely blighted areas. Development of blighted areas can improve housing, employment, and other local economic activities.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____