

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(25,000,000)		
CASH FUNDS	See below	25,000,000	See below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	0	See below	

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

LB 1091 would transfer \$25,000,000 to the Site and Building Development Fund in FY16-18. The fund is located in the Department of Economic Development (DED.) For the purpose of this fiscal note, it is assumed that the transfer would come from the General Fund.

The transfer into the Site and Building Development Fund would increase the potential number of grant applications beginning in FY16-17. It is estimated by DED that the current cash fund expenditure authority would be adequate to address the cash flow of new projects. It is also noted by DED that the existing fund balance has been committed to projects, but has not yet been paid out. Based upon project cash flow history, there is no basis to disagree with the agency estimate that an increased cash fund expenditure authority would not be required in the near term. It is estimated that DED could administer the additional applications and grants using existing staff.

At the present time, the revenue source for the fund is a 25 cent portion of the documentary stamp tax, which yields approximately \$2.3 million per year.

<b>ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 1091	AM:	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Robin Kilgore	DATE: 1-27-16	PHONE: 471-4180
COMMENTS: No basis to disagree with agency estimate of fiscal impact.		

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

**2016**

**LB<sup>(1)</sup> 1091**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Dept. of Economic Development

Prepared by: <sup>(3)</sup> Courtney Dentlinger Date Prepared: <sup>(4)</sup> 1/25/2016 Phone: <sup>(5)</sup> 402-471-3777

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

	<u>FY 2016-17</u>		<u>FY 2017-18</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		(\$25,000,000)		\$0
CASH FUNDS	(See Below)	\$25,000,000	See Below	\$0
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		<b>\$0</b>		<b>\$0</b>

**Explanation of Estimate:**

LB 1091 makes a one-time transfer of \$25 million from the General Fund to the Site and Building Development Cash Fund. Currently, the Site and Building fund receives a \$0.25 of \$2.25 portion of the Documentary Stamp Tax. Since the first full year of the fund in FY2012-13, the fund has averaged approximately \$2.26 million in transfers from the tax.

Although the fund currently has a positive balance, the Department has approved economic development projects that would result in the expenditure of the current balance, should all of the projects go forward. Therefore, the Department expects that there would be demand for any funds transferred to the Site and Building Development Cash Fund. The Department envisions that it would take several years to disburse these funds to villages, cities, or counties for uses outlined in Section 81-12,147.

As drafted, LB 1091 would result in more requests for funding forwarded to the Department; however, this additional work could be accomplished with the existing appropriation.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2016-17 EXPENDITURES</u>	<u>2017-18 EXPENDITURES</u>
	<u>16-17</u>	<u>17-18</u>		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>				