PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 17, 2017 402-471-0051

LB 579

Revision: 01

FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised to correct error to section reference

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 201	17-18	FY 2018-19			
_	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 579 amends Nebraska Revised Statutes Section 14-109 and Section 18-1208.

For occupation taxes imposed after the effective date of LB 579, the bill provides a termination date and procedure. Such a tax is to terminate on December 31 of the second odd-numbered year after it is imposed unless extended by a vote of the people in an election held in an odd-numbered year. A vote in the affirmative would extend the tax for four years but is subject to vote every four years.

Section 18-1208 is amended to require a city of the metropolitan class to submit to the voters the question of whether or not to change the rate of an occupation tax imposed for a specific project which does not deposit the revenue in the city's general fund.

The bill adds language in Section 18-1208 to provide that a city of the metropolitan class does not have to submit to the voters the question of whether or not to terminate an occupation tax earlier than its original termination date.

There is no fiscal impact to the state as a result of the provisions of LB 579.

The Department of Revenue estimates no cost to the Department to implement the bill.

We agree with the Department of Revenue's estimate of cost.

IMPACT TO POLITICAL SUBDIVISION:

The City of Omaha indicates no fiscal impact.

We have no basis to disagree with the City of Omaha's estimate of fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 579	AM:	AGENCY/POLT. SUB: City of Lincoln			
REVIEWED I	BY: Lyn Heaton	DATE: 2/15/2017	PHONE: (402) 471-4181		
COMMENTS: Concur. No fiscal impact on the City of Lincoln					

ADMINI	ISTRATIVE SERVICE	ES STATE BUDGET DIVISION	I: REVIEW OF AGENCY & POLT. SUB. RESPONSE	
LB: 579	AM:	AGENCY/POLT. SU	JB: City of Omaha	
REVIEWED E	BY: Lyn Heaton	DATE: 2/15/2017	PHONE: (402) 471-4181	
COMMENTS: Indeterminate fiscal impact due to uncertainty of city council decision-making and of any potential election outcome. We also lack the data necessary to estimate an impact if an occupation tax is terminated.				

		State Agency	Estimate			
State Agency Name: Department	of Revenue				Date Due LFA:	2/16/2017
Approved by: Tony Fulton		Date Prepared:	2/10/2017		Phone: 471-5896	
	FY 2017-	2018	FY 2018	<u>-2019</u>	FY 201	9-2020
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$0	\$0	\$0	\$0	\$0	\$0
Cash Funds						
Federal Funds					<u> </u>	
Other Funds						
Total Funds	\$0	\$0	\$0	\$0	\$0	\$0

LB 579 provides that any occupation tax imposed pursuant to Neb. Rev. Stat. §§ 14-109 or 18-1208 on or after the effective date of the act shall terminate on December 31 of the second odd-numbered year after it is imposed unless extended by a vote of the people. The election must be held within the city in an odd-numbered year in which all registered voters are entitled to vote on the question of extending the occupation tax, which may be extended for four additional years, subject to a vote every four years.

LB 579 amends Neb. Rev. Stat. § 18-1208 to require a city of the metropolitan class to submit to the voters whether to change the rate of an occupation tax imposed for a specific project, which does not provide for deposit of the tax proceeds in the municipality's general fund. This provision is made retroactive to occupation taxes imposed prior to, on, or after the effective date of the act.

It is estimated that this bill would have no impact on the General Fund.

It is estimated that there would be no costs to the Department to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	19-20 <u>FTE</u>	17-18 Expenditures	18-19 Expenditures	19-20 Expenditures
Benefits							
	Operating Costs.						
Travel							
Capital Outlay							
Capital Improvements.							
Total							

LB ⁽¹⁾ 579			FISCAL NOTE
State Agency OR Political Subdivision Name:	City of Lincoln		
Prepared by: (3) Sherry Wolf Drbal	Date Prepared: (4) 1.	-23-17 Phone: (5	402-441-8305
ESTIMATE PRO	OVIDED BY STATE AGENCY (OR POLITICAL SUBDIVIS	ION
	FY 2017-18	FY 201	0.10
EXPENDITU		EXPENDITURES	REVENUE
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS	<u></u>		
OTHER FUNDS			
TOTAL FUNDS			
Explanation of Estimate:			
Since the bill applies to metro	opolitan cities, no fiscal		ed.
Personal Services:			
POSITION TITLE	NUMBER OF POSITIONS <u>17-18</u> <u>18-19</u>	2017-18 EXPENDITURES	2018-19 EXPENDITURES
Benefits	· · · · · · · · · · · · · · · · · · ·		
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL	•		

LB ⁽¹⁾ 579			FISCAL NOTE
State Agency OR Political Subdivision Name: (2	City of Omaha		
Prepared by: (3) Tyler Leimer	Date Prepared: (4)	1/25/2017 Phone: (5	(402) 444-4514
ESTIMATE PROV	<u>'IDED BY STATE AGENC</u>	Y OR POLITICAL SUBDIVIS	ION
F	Y 2017-18	FY 201	8-19
<u>EXPENDITUR</u>		EXPENDITURES	REVENUE
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS	_	·	
TOTAL FUNDS			
Explanation of Estimate: No fiscal impact			
BREAKDO Personal Services:	OWN BY MAJOR OBJECT:	S OF EXPENDITURE	
	NUMBER OF POSITIONS 17-18 18-19	2017-18 EXPENDITURES	2018-19 EXPENDITURES
Benefits			
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			
TOTAL			