

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$32,000)		(\$69,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$32,000)		(\$69,000)

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

LB 942 creates the Metropolitan Port Authority Act.

The bill provides that a city of the metropolitan class which is situated upon or adjacent to a navigable waterway may create a port authority. Omaha is the only city in Nebraska that meets these criteria.

The city council creates the port authority by designating the areas within the city that could be reasonably connected to the business of a port. After approval by the council the boundaries are filed with the city clerk. The city may also change the boundaries from time to time. The city council is also authorized to expend city funds for the development and planning of the authority.

The bill provides powers for the port authority that include: confer with similar bodies; adopt comprehensive plans; levy a sales and use tax within its boundaries; pledge revenues generated to repay any outstanding obligations; approve the construction of all wharves, piers, bulkheads, jetties, or other structures; cause to be removed harbor obstructions; acquire, own, construct, etc. facilities, warehouses, or developments; acquire right-of-way; contract, sue, and be sued; accept funds; employ personnel; disburse funds; adopt or repeal bylaws; and enter into agreements with private operators or public entities for development or reclamation of property.

The port authority shall have the power to issue and sell tax-free revenue bonds.

LB 942 also provides that the port authority is not required to pay any taxes or assessments.

The port authority is to be administered by a board of commissioners, appointment of which is to be determined by the city council.

Any expenditure by a port authority over \$25,000 shall be competitively bid.

The bill has an operative date of January 1, 2019.

The Department of Revenue has indicated that, assuming a port authority is created within a year of the effective date of the Act, that it would be similar to a business improvement district. The Department estimates the following fiscal impact to the General Fund:

FY2018-19:	(\$32,000)
FY2019-20:	(\$69,000)
FY2020-21:	(\$75,000)

The Department of Revenue indicates minimal costs to implement the provisions of LB 942.

We have no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 942	AM:	AGENCY/POLT. SUB: Nebraska Department of Revenue	
REVIEWED BY: Ann Linneman	DATE: 2-2-18	PHONE: (402) 471-4180	
COMMENTS: The Nebraska Department of Revenue's assessment of fiscal impact seems reasonable given the assumptions used.			

