PREPARED BY: DATE PREPARED: PHONE: Keisha Patent February 13, 2019 402-471-0059

LB 187

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT — STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 2019-20		FY 2020-21			
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE		
GENERAL FUNDS		See below		See below		
CASH FUNDS	See below		See below			
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS	See below	See below	See below	See below		

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

LB 187 amends the Sports Arena Facility Financing Assistance Act to add "sports complex, including concession areas, parking facilities, and onsite administrative offices connected with operating the sports complex" to the definition of eligible sports arena facility. "Sports complex" is defined as a facility that (1) includes indoor areas, outdoor areas, or both, (2) is primarily used for competitive sports, and (3) contains at least a certain number of separate sports venues, depending on the size of city or village, including, but not limited to, baseball, softball, soccer, football, an outdoor stadium, and outdoor arena, or an enclosed, temperature-controlled building.

The bill also changes several applicable dates referring to occupancy to the project completion date, including the date for determining new sales tax revenue.

Revenue:

The Department of Revenue estimates the fiscal impact on the General Fund and Cash Funds is unknown and contingent on the number of future qualifying sports complex facility projects, but depending on the location and nearby businesses, the reduction in state sales tax revenue could be significant. Pursuant to the Sports Arena Facility Financing Assistance Act and Convention Center Facility Financing Assistance Act, for three current projects, a total of \$11.7 million was transferred in FY 17-18.

Expenditures:

The Department of Revenue estimates minimal costs to implement the provisions of the bill.

There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 187	AM:	AGENCY/POLT. SUB: Department of Rev	enue			
REVIEWED BY:	Lee Will	DATE: 1/25/2019	PHONE: (402) 471-4175			
COMMENTS: Concur with the Department of Revenue's assessment of fiscal impact and the potential for a significant reduction in state sales fax revenue						

LB 187 Fiscal Note 2019

State Agency Estimate							
State Agency Name: Department	of Revenue				Date Due LFA:	1/28/19	
Approved by: Tony Fulton		Date Prepared:	1/22/19		Phone: 471-5896		
	FY 2019-2020		FY 2020-2021		FY 2021-2022		
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue	
General Funds		See below		See below		See below	
Cash Funds	See below		See below		See below		
Federal Funds							
Other Funds							
Total Funds	See below	See below	See below	See below	See below	See below	
Other Funds	See below	See below	See below	See below	See below	See be	

LB 187 would amend Neb. Rev. Stat. § 13-3102 (the Sports Arena Facility Financing Assistance Act) to expand the definition of "eligible sports arena facility" to include "sports complexes," including concession areas, parking facilities and offices. Sports complex means a facility that includes indoor or outdoor areas which are primarily used for competitive sports and contains more than one separate sports venues, which could be baseball, soccer, football, an outdoor stadium, an indoor arena, or a multipurpose field, meaning a rectangular field of grass or turf used for competitive sports. If the sports complex is in a metropolitan class city, there must be at least 12 separate venues, if a primary class city, eight separate venues, and for any other city or village, four.

Unlike sports arenas currently, the sports complex does not have to be publicly owned, and there is no minimum or maximum seating capacity. A political subdivision would still have to issue a bond or adopt a resolution to acquire an eligible facility.

As a result of including sports complexes, the dates for determining the new sales tax revenues for a sports complex refers to the project completion date, rather than an occupancy permit, and the 600-yard limit for measuring nearby retailers would be expanded because it is measured from the edge of fields and administrative offices. Further harmonizing changes include calling the applications requests for funding projects rather than eligible sports arena facilities.

The revenue impact on the General Fund and Cash Funds are unknown and contingent upon future qualifying sports complex facility projects. Depending on the location of these projects and the nearby businesses, there is potential for a significant reduction in state sales tax revenue. For comparison purposes, \$11.739 million was transferred during fiscal year 2017-2018 under the terms of the Sports Arena Facility Financing Assistance Act and the Convention Center Facility Financing Assistance Act for three current projects.

It is estimated that there will be minimal costs to the Department to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	19-20 <u>FTE</u>	20-21 <u>FTE</u>	21-22 <u>FTE</u>	19-20 Expenditures	20-21 Expenditures	21-22 Expenditures
	Operating Costs						
Travel	Travel						
Capital Outlay							
Capital Improvements.							
Total							