

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2023-24		FY 2024-25	
	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.

LB532 amends Sec. 18-2101, Community Development Law, in the following ways:

- Sec. 2, creates subsection 6 which limits a designation of an area as extremely blighted to 25 years and allows that designation to be removed prior pursuant to Sec. 6;
- Sec. 3, subsection 2 which would allow the governing body of a city when developing a workable blight remediation/rehabilitation program to develop guidelines for the consideration or approval of redevelopment projects that are financed in whole or in part through the division of taxes as provided in section 18-2147. Such guidelines may establish general goals and priorities for the use of funds from such division of taxes or limitations or restrictions on the use of funds from such division of taxes within such city;
- Sec. 4, subsection 3 includes in the reporting requirement an estimated amount of outstanding indebtedness related to each such redevelopment project and an estimated date by which such indebtedness is expected to be paid in full;
- Sec. 5, subsection 1 creates a requirement that prior to approving redevelopment projects for carrying out the construction of workforce housing governing bodies of metropolitan class cities shall receive a housing study 24 months prior to approval and other cities and villages shall receive a housing study 60 months prior to approval of the project; and
- Sec. 6 allows for governing bodies of cities to review designations of areas as extremely blighted and creates a process for removing that designation.

Designation of substandard and blighted zones allows the parcels within the zones to be considered eligible for TIF, which results in lower property tax valuation in the city for a period of time. A reduction in property tax valuation in an equalized school district may require increases in state General Fund expenditures for equalization aid pursuant to TEEOSA. This legislation may reduce the number of areas designated as extremely blighted or reduce the duration of said designation. However, the timing and magnitude of projects that could be affected by this legislation is indeterminate, and as a result, any resulting decrease in TEEOSA aid is also indeterminate.

No basis to disagree with the City of Omaha’s estimated fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 532	AM:	AGENCY/POLT. SUB: City of Omaha	
REVIEWED BY: Jacob Leaver	DATE: 1/27/2023	PHONE: (402) 471-4173	
COMMENTS: No basis to dispute the City of Omaha’s estimated fiscal impact to the city as a result of LB 532.			

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

2023

LB⁽¹⁾ 532

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jeff Roh Date Prepared: ⁽⁴⁾ 1-26-23 Phone: ⁽⁵⁾ 402-444-5451

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	\$27,000		\$27,000	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

Our estimate would be between \$18,000 to \$36,000 annually for additional staff time on review/analysis for eligibility of CRAs and EBAs.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				