PREPARED BY: DATE PREPARED: PHONE: Scott Danigole March 03, 2023 402-471-0055

**LB 622** 

Revision: 00

## **FISCAL NOTE**

## LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)								
	FY 202	23-24	FY 2024-25					
	EXPENDITURES REVENUE EXPENDITURES REVE							
GENERAL FUNDS		See Below		See Below				
CASH FUNDS	See Below	See Below	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 622 changes provisions related to the Sports Arena Facility Financing Assistance Act.

Section 1 provides definitions for "Covered property", "Large public stadium", and expands the definition of "Eligible sports arena facility" to include any large public stadium in which initial occupancy occurs on or after March 1, 2025.

The Department of Revenue is unable to estimate the fiscal impact on either General Funds or Cash Funds. Any reduction to the General Fund due to sales tax turn-backs for qualifying projects cannot be estimated until project parameters and geographic location are defined. Any such funds will also be reflected as Cash Fund revenue and expenditure increases. Furthermore, the bill's provisions for facilities constructed after March 1, 2025 results in any fiscal impact not being realized until the fourth quarter of fiscal year 2024-25.

ADMINI	ISTRATIVE SERVIC	ES STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE		
LB: 622	AM:	AGENCY/POLT. SUB: Depart	ment of Revenue		
REVIEWED B	3Y: Neil Sullivan	DATE: 3/3/2023	PHONE: (402) 471-4179		
COMMENTS: No basis to disagree with the Department of Revenue assessment of indeterminate impact from LB 622.					

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 622	AM:	AGENCY/POLT. SUB: State	Treasurer			
REVIEWED	BY: Neil Sullivan	DATE: 3/3/2023	PHONE: (402) 471-4179			
COMMENTS: The assessment of minimal fiscal impact to the State Treasurer from LB 622 appears reasonable.						

LB 622 Fiscal Note 2023

State Agency Estimate								
State Agency Name: Department of Revenue Date Due LFO:								
Approved by: Glen White Date Prepared: 03/02/2023 Phone: 471-5896								
FY 2023-2024 FY 2024-2025						5-202 <u>6</u>		
	Expenditures	Revenue	<b>Expenditures</b>	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		
					· · ·			

LB 622 amends the Sports Arena Facility Financing Assistance Act (Act) as follows:

- Neb. Rev. Stat. § 13-3102 adds subsection (d) which adds to the list of eligible facilities "any large public stadium" constructed on or after March 1, 2025 in a city of the metropolitan class.
- The minimum number of seats is 5,500 and the maximum capacity shall not exceed 10,000 persons.
- Increases the state assistance under the Act from 50% to 100% of the final cost of the project.

The revenue impact on the General Fund and Cash Funds are unknown and contingent upon future qualifying large public stadium 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, \$15.4 million is forecast to be transferred during fiscal year 2022-2023 under the terms of the Sports Arena Facility Financing Assistance Act and the Convention Center Facility Financing Assistance Act for four current projects.

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

The operative date for this bill is three months after adjournment.

Major Objects of Expenditure							
Class Code	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
Operating Costs							
	s						
Total					· · · · · · · · · · · · · · · · · · ·		

LB <sup>(1)</sup> 622						FISCAL NOTE
State Agency OR Political Subdivision Name: (2)		Sta	te Treasurer			
Prepared by: (3)	Jason Walters	I	Date Prepared: (4)	January 25, 2023	Phone: (5)	402-471-2793
	ESTIMATE PRO	VIDED :	BY STATE AGEN	NCY OR POLITICAI	SUBDIVIS	SION
	153	7 0000	0.4		EV 0004	25
	<u>EXPENDITURE</u>	<u> 2023-</u> S	REVENUE	EXPENDITU	<u>FY 2024</u> <u>RES</u>	REVENUE
GENERAL FUN	DS					
CASH FUNDS						
FEDERAL FUN	DS					
OTHER FUNDS	·	_		<del>-</del>		
TOTAL FUNDS						
		_				
<b>Explanation of E</b>	stimate:					
Personal Service		<u>WN BY</u>	MAJOR OBJECT	S OF EXPENDITU	<u>RE</u>	
POSIT	TION TITLE	NUMBE <u>23-24</u>	R OF POSITION 24-25	S 2023-24 <u>EXPENDITU</u>		2024-25 EXPENDITURES
D. C.						
					<u> </u>	
•						
	nents					
TOTAL						