

PREPARED BY: Clinton Verner  
 DATE PREPARED: January 26, 2023  
 PHONE: 402-471-0056

**LB 709**

Revision: 00

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	\$71,000,000	See below	
FEDERAL FUNDS				
OTHER FUNDS		(\$71,000,000)		
TOTAL FUNDS	See below	\$0	See below	

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

LB709 creates the Convention and Event Center Capital Construction Program, sets the administration of the program within the Nebraska Department of Economic Development, creates the Convention and Event Center Capital Construction Fund, provides intent that the fund be fully appropriated each year, and creates a transfer of \$71,000,000 from the Cash Reserve Fund to the Convention and Event Center Capital Construction Fund.

Intent language is non-binding, though intent exists for the full cash fund balance to be appropriated each year for the purposes outlined in Sec. 1 of the Convention and Event Center Capital Construction Program.

The Department's estimate of 1.25 FTE appears reasonable, however as Sec. 1 of the act only covers the issuance of grants a General Fund appropriation will be needed to cover operating costs.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 709	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Neil Sullivan		DATE: 1/27/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 709 appears reasonable.			

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

**2023**

**LB<sup>(1)</sup> 709**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Economic Development

Prepared by: <sup>(3)</sup> Dave Dearmont Date Prepared: <sup>(4)</sup> 1/25/2023 Phone: <sup>(5)</sup> 402-471-3777

**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				
CASH FUNDS	\$3,550,000	\$71,000,000	\$10,650,000	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<u>\$3,550,000</u>	<u>\$71,000,000</u>	<u>\$10,650,000</u>	

**Explanation of Estimate:**

LB709 creates the *Convention and Event Center Capital Construction Program (CEC3P)* and the Convention and Event Center Capital Construction Fund administered by DED. The new cash fund would receive a \$71 million transfer from the Cash Reserve Fund to provide grants to cities of the primary class who wish to construct or renovate certain convention and event centers.

Up to \$60 million can be awarded to applicants who wish to construct a new convention center. Up to \$7 million can be awarded to applicants who wish to renovate to an existing event space connected to an agricultural society. Up to \$4 million can be awarded to applicants who wish to make capital improvements to an event space near a recreational area located in a county of a city of the primary class.

LB709 will require the services of 1.0 FTE Economic Development Business Consultant II to manage a grant program, and 0.25 FTE Accountant III to manage payments to grantees. Operating costs include \$80,700 annually for grant management software licenses, and \$3,320 for leased office space. DED estimates that the aid will be paid out over five years, 5%, 15%, 35%, 35%, and 10%, beginning in FY2023-24 through FY2027-28, respectively.

**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>
A49012 Econ Dev Bus Consultant II	1.0	1.0	\$65,190	\$68,450
A19016 Accountant III	.25	.25	15,790	16,420
Benefits.....			32,890	\$34,200
Operating.....			100,580	101,240
Travel.....			8,220	8,550
Capital outlay.....			8,600	0
Aid.....			3,318,730	10,421,140
Capital improvements.....			0	0
<b>TOTAL.....</b>			<u>\$3,550,000</u>	<u>\$10,650,000</u>