

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

Revised per AM3082, AM2838 as amended by FA1178, AM2913

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)					
EXPENDITURES	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	0	0	0	0
FY2027-2028	0	0	0	0	0
FY2028-2029	0	0	0	0	0

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

LB1114 creates the Community Improvement District Act, which permits cities to create Community Improvement Districts (CIDs), sets the powers and restrictions of CIDs, and allows CIDs to levy a property tax rate per \$100 of valuation at a rate not to exceed the levy rate specified in the articles of organization and approved by ordinance of the city or village. Districts would be authorized to issue bonds and carry out projects within the parameters of the act. LB1114 dictates the establishment of CIDs via elections and CID membership.

The cost to political subdivisions will depend upon the development of projects that necessitate the creation of a CID, governing body decisions regarding the creation of the district and the property tax levy set. Actual costs will vary on a city-by-city basis.

LB1114 amends definitions for economic development program under the Local Option Municipal Economic Development Act. No fiscal impact to the state.

LB1114 increases the amount of eligible inland ports to be designated within Nebraska from five to eight. No fiscal impact to the state.

LB1114 amends definitions of economic development program under the Local Option Municipal Economic Development Act. No fiscal impact to the state.

LB1114 amends Sanitary Improvement District elections and contracting restrictions for construction. No fiscal impact to the state.

LB1114 amends the powers of a city of a metropolitan class to require any housing authority within a city of the metropolitan class to comply with any city rental inspection and registration ordinance, code enforcement, and inspection of residential rental properties.

LB1114 amends the complaint process for a housing agency for a city of the Metropolitan Class. No fiscal impact to the state.

LB1114 amends 71-1572 to include definitions for bed bug and pest control professional and creates responsibilities for a housing agency for a city of the Metropolitan Class. No fiscal impact to the state.

LB1114 makes the following amendments to Community Development Law:

- Amend findings of the Legislature;
- Amend definitions;
- Restrict an authority from acquiring real property for a redevelopment project within the corporate limits of a city or a city's extraterritorial zoning jurisdiction;
- Strike requirements under 81-2123;
- Amend 18-2123.01, 18-2147, 18-2155, to add references to, "and outside the city's extraterritorial zoning jurisdiction";
- Amend the conditions under which a redevelopment plan is eligible for expedited review;
- Amend the steps which the expedited review consists of; and
- Amend the duties for projects approved for financing under 18-2147.

LB1114 makes amendments to Community Development Law which may affect the timing and type of projects which qualify under Tax Increment Financing (TIF). If LB1114 were to affect the timing and type of projects which qualify for TIF in an equalized school district, this would affect state expenditures under Tax Equity and Educational Opportunities Support Act. Fiscal impact to the state is indeterminate.

AM3082 would strike the definition of resolution from Sec. 77-202.

AM2838 amended by FA1178 does the following:

- Exempts earnings and proceeds from bond sales from bonds issued under the Municipal Inland Port Authority act from taxation;
- Creates reporting requirements for a Housing authority within a city of a Metropolitan class;

- Amends the definition of public purpose under 77-202 (exemptions to property tax) to include improvements made by an Inland Port Authority and lease agreements of real or personal property by an inland port authority, whether the inland port authority is lessee or lessor; and
- Amends the powers of a city of a metropolitan class in relation to housing agencies.

AM2913 adopts the New Taxpayer Recruitment Grant Act, which does the following:

- Sets definitions under the act;
- Allows qualified applicants beginning on July 15 of each fiscal year to apply to the Department of Economic Development (DED) for a grant, describes the application;
- Requires DED to award grants under the act to applicants with approved applications;
- Sets qualifications to receive grants under the act;
- Requires DED to consider applications in the order they are received, requires approval and notification of the approval within thirty days of receiving the application. Permits DED to approve applications within the limits of available appropriations, caps the grant application at not more than \$250,000 in total grants per fiscal year;
- Requires DED to disburse 50% of a grant to the grant applicant upon initial award and the remainder upon the applicant reporting to DED that it has successfully met half of the household goal stated in the new taxpayer recruitment program plan. If the grant applicant fails to meet half of such goal, DED is to not disburse the remaining amount of the grant and such remaining amount shall be re-awarded to other grant applicants with approved applications;
- Sets requirements for an application submitted by a household to the grant recipient;
- Creates semiannual reporting requirements from grant recipients to DED;
- Permits grant applicants to utilize resources available to it to fulfill their incentive programs;
- Creates the New Taxpayer Recruitment Grant Cash Fund, sets the use of the fund and receipts; and
- Allows for DED to promulgate rules and regulations to carry out the New Taxpayer Recruitment Grant Act.

Awards are subject to cash fund appropriation. The newly created cash fund has no revenue source, and thus no appropriation is necessary. No fiscal impact.

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2026

LB⁽¹⁾ 1114AM2913

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Economic Development

Prepared by: ⁽³⁾ Stacey Parr Date Prepared: ⁽⁴⁾ 04/08/2026 Phone: ⁽⁵⁾ (402) 471-3834

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB1114AM2913 creates the New Taxpayer Recruitment Grant Act (“Act”) to be administered by the Department of Economic Development.

LB1114AM2913 requires the Department to prescribe and receive applications and award grants to further the recruitment programs designed to incentivize households to locate to Nebraska from locations outside of the state. Applications can be submitted by cities, Indian tribes or bands in Nebraska, or nonprofit organizations (“Grant Applicants”). Grant Applicants must demonstrate the ability to contribute funding equal to at least 20% of the total cost of the recruitment program. The Department must consider applications in the order received and make determinations within 30 days of receipt. Grants are capped at \$250,000 per Grant Applicant per fiscal year. Fifty percent of the grant award is disbursed as an advancement, and the remainder is disbursed when the Grant Applicant demonstrates it has met half of the household recruitment goal specified in the program plan. Grant Applicants must submit semiannual reports to the Department. Grant Applicants may utilize Local Option Municipal Economic Development Act resources, federal funding, and private donations or donated goods and services to satisfy its 20% local funding obligation.

Households from outside Nebraska may apply to approved Grant Applicants to take advantage of the new taxpayer recruitment program grant funds. Households must demonstrate annual household income of at least \$55,000.00 to be eligible for the incentives.

Section 109 paragraph (5) provides “[t]he department may approve applications and award grants under the New Taxpayer Recruitment Grant Act subject to available funding the New Taxpayer Recruitment Grant Cash Fund.” The Act does not currently provide funding for the New Taxpayer Recruitment Cash Fund. If the New Taxpayer Recruitment Grant Cash Fund receives funding in the future, the Department anticipates it will need 1 FTE Economic Development Consultant II to implement the program.

LB1114AM2913 provides that the Department may promulgate rules and regulations and includes that the operative will be three months after the adjournment of the legislature.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2026-27</u>	<u>2027-28</u>
	<u>26-27</u>	<u>27-28</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				