

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

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	SEE BELOW	0	0	SEE BELOW
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW
REVENUE	GENERAL	CASH	FEDERAL	REVOLVING	TOTAL
FY2025-2026	0	0	0	0	0
FY2026-2027	0	SEE BELOW	0	0	SEE BELOW
FY2027-2028	0	SEE BELOW	0	0	SEE BELOW
FY2028-2029	0	SEE BELOW	0	0	SEE BELOW

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

LB1142 would do the following:

- Strikes reference to the executive director of the Nebraska Tourism Commission in the Nebraska Craft Brewery Board, replaces with the Director of Tourism of the Department of Economic Development;
- Amends the current 10% distribution of the 5% net operating revenue tax imposed and levied on Mechanical Amusement Devices go to the Nebraska Tourism Promotional Cash Fund rather than the Nebraska Tourism Commission Promotional Cash Fund;
- Strikes references to the Nebraska Tourism Commission within the Nebraska Visitors Development Act, places the duties of the act within the Department of Economic Development (DED), and creates new authorities for DED;
- Requires the Director of DED to appoint a Director of Tourism;
- Places the Nebraska Tourism Commission within DED;
- Amends the duties of the Nebraska Tourism Commission;
- Amends the Nebraska Tourism Commission Promotional Cash Fund title to Nebraska Tourism Promotional Cash Fund;
- Sets an operative date of the act to be July 1, 2026; and
- Declares an emergency.

Fiscal impact will be a reduction of \$10,195,565 cash fund appropriation for FY26-27 and \$1,169,219 PSL appropriation reduction for the Nebraska Tourism Commission and commensurate increase in DED appropriation.

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

2026

LB⁽¹⁾ 1142

FISCAL NOTE

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

Prepared by: ⁽³⁾ Kob Kitcharoen Date Prepared: ⁽⁴⁾ 01/22/25 Phone: ⁽⁵⁾ (402) 471-3741

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

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

Explanation of Estimate:

LB1142 amends the Nebraska Visitors Development Act (Act) by adding authority to the Department of Economic Development (DED) to administer the Act. Section 8 grants DED the authority to:

- (a) Employ personnel and contract for services as needed to carry out the department's duties under the act;
- (b) Procure and evaluate data and information necessary for the proper administration of the act;
- (c) Develop and approve state marketing campaigns;
- (d) Develop and administer a program to provide promotional services, technical assistance, and state aid to local governments and the tourism industry;
- (e) Cooperate with federal, state, and local governments and private individuals and organizations to carry out any of the functions of the department and purposes of the Nebraska Visitors Development Act; and
- (f) Actively coordinate and develop working partnerships with other state agencies, including, but not limited to, the Commission on Indian Affairs, the Game and Parks Commission, the Nebraska Arts Council, the Nebraska State Historical Society, and the University of Nebraska.

The Director of DED shall also appoint a Director of Tourism to serve at the pleasure of the Director of DED. The Director of Tourism will serve on the Nebraska Craft Brewery Board.

The Tourism Commission shall be located and staffed within DED for administrative purposes. For purposes of transition, employees of the commission shall be considered employees of DED and shall retain their rights under the state personnel system or pertinent bargaining agreement, and their service shall be deemed continuous. The Tourism Commission shall advise DED in its administration of the Nebraska Visitors Development Act; elect a chairperson and vice-chairperson; recommend a Director of Tourism for appointment by the Director of Economic Development; establish a means by which any interested person has the opportunity at least annually to offer his or her ideas and suggestions relative to the Nebraska Visitors Development Act for the upcoming year; and keep minutes of its meetings and other books and records which clearly reflect all of the actions and transactions of the commission and keep such records open to examination during normal business hours.

Section 11 replaces "commission" with "department" in Neb. Rev. Stat. §§ 81-3711.01; 81-3712; 81-3713; 81-3714; 81-3721; 81-3725; 81-3728; 81-3729; and 81-2730. The department shall use the proceeds of the State Visitors Promotion Cash Fund to generally promote and market the State of Nebraska, to encourage, and attract visitors to and within the State of Nebraska, to erect and replace highway tourism markers, to enhance the use of travel and tourism facilities within the state, and to provide grants to communities and organizations.

The Director of Tourism shall convene a technical review committee of no fewer than three individuals representing the public sector, the private sector, and citizens at large. The technical review committee, the

Director of Tourism, and the Director of Economic Development shall review and score applications for marketing assistance grants and innovative tourism grants and forward recommendations to the department for approval by the department.

DED may adopt and promulgate rules and regulations to carry out the Nebraska Visitors Development Act. The Act becomes operative July 1, 2026 and also contains an emergency clause which indicates it takes effect when passed and approved by law.

DED anticipates it will be able to support the transition with current resources and as such anticipates no fiscal impact.

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.....			_____	_____

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

2026

LB⁽¹⁾ 1142

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Nebraska Tourism Commission

Prepared by: ⁽³⁾ Alisha Simonson

Date Prepared: ⁽⁴⁾ 01/28/2026

Phone: ⁽⁵⁾ 402-471-3796

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2026-27		FY 2027-28	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	See below	See below	See below	See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB1142 would place the Nebraska Tourism Commission under the authority of the Nebraska Department of Economic Development.

FY26-27 appropriations are \$10,195,565 in Cash Funds. The impact of this bill would reduce appropriations to Tourism and increase appropriations to the Department of Economic Development.

This would create a zeroing-out of revenue and expenditures for the Tourism Commission.

Fund	Type	FY 2026-27
CASH	Operations	9,342,965
CASH	Aid	852,600
Cash Total		10,195,565
PSL		1,169,219

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2026-27 EXPENDITURES	2027-28 EXPENDITURES
	26-27	27-28		
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				

**Capital
improvements**.....
TOTAL.....

