PREPARED BY: DATE PREPARED: PHONE: John Wiemer January 22, 2025 402-471-0051

**LB 116** 

Revision: 00

## **FISCAL NOTE**

**LEGISLATIVE FISCAL ANALYST ESTIMATE** 

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2025-26 FY 2026-27						
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
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 116 changes the Convention Center Facility Financing Assistance Act.

The bill adds the definition of applicant and maximum aggregate appropriations. The bill also makes changes to the definitions of associated hotel and nearby retailers.

Under section 13-2604, the bill makes changes so that any political subdivision that has approved the acquisition, construction, improvement, or equipping of eligible facilities could apply for state assistance.

The bill provides that any state assistance received pursuant to the Act would be used only to pay for or repay amounts borrowed to finance a project owned by a political subdivision.

The bill adds that it is the intent of the Legislature to appropriate to any political subdivision for which an application for state assistance under the Act has been approved an annual amount not to exceed 70% of the state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels and nearby retailers, and an aggregate amount of not more than the maximum aggregate appropriations.

The bill also makes changes regarding a County Visitors Promotion Fund so that the proceeds from the Fund could be used to expand, improve, and maintain visitor attractions and facilities in the county.

The Department of Revenue (DOR) estimates an indeterminant impact to General Funds and Cash Funds depending on future projects as a result of this bill. The DOR notes a potential significant reduction in state sales tax revenue depending on the locations of the projects and nearby businesses. The DOR notes for comparison purposes that \$18.5 million is forecast to be transferred during FY25 under the terms of the Sports Arena Facility Financing Assistance Act and the Convention Center Facility Financing Assistance Act for 4 current projects.

The DOR estimates minimal costs to it to implement the bill.

There is no basis to disagree with these estimates by the DOR.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 116	AM:	AGENCY/POLT. SUB: Depart	ment of Revenue		
REVIEWED BY: Ryan Yang DATE: 1/21/2025 PHONE: (402) 471-4178					
COMMENTS: No basis to disagree with the Department of Revenue assessment of no fiscal impact from LB 116.					

ADMINISTRATIVE SERVICE	S STATE BUDGET DIVISION: REVIE	EW OF AGENCY & POLT. SUB. RESPONSE			
LB: 116 AM: AGENCY/POLT. SUB: Nebraska Association of County Officials					
REVIEWED BY: Ryan Yang	DATE: 1/15/2025	PHONE: (402) 471-4178			
COMMENTS: The Nebraska Association of County Officials assessment of fiscal impact from LB116 appears reasonable.					

LB 116 Fiscal Note 2025

State Agency Estimate						
State Agency Name: Department of Revenue Date Due LFO:						
Approved by: James R. Kamm	Approved by: James R. Kamm Date Prepared: 01/17/2025 Phone: 471-5896					
	FY 2025	-2026	FY 2026	-2027	FY 2027-	2028
	<u>Expenditures</u>	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	See Below	See Below	See Below	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
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LB 116 defines the term "Applicant" and expands who may apply for assistance. Under LB 116, political subdivisions don't need to own the facility or have approved a bond to own it to apply. They may apply as soon as the acquisition of the facility was approved.

The bill defines the area eligible for state assistance by stating that if the eligible facility is within 600 yards of the State Capitol, then the area used in determining associated hotels and nearby retailers may be "contiguous" or "noncontiguous" areas within the territorial boundaries of the applicant.

LB 116 defines the term "Maximum aggregate appropriation" as:

- 1. \$150 Million for any one approved project, but not more than the total cost of acquiring, constructing, improving, repairing, replacing, financing, or equipping the eligible facilities of the political subdivision, OR
- 2. \$150 Million for an eligible facility located within 600 yards of the State Capitol, the total cost of acquiring, constructing, improving, repairing, financing, and equipping such facility, but only to the extent the cost of acquiring, constructing, improving, repairing, replacing, and equipping such facility does not exceed \$150 million.

LB 116 modifies §13-2605 which imposes that the state assistance received to be used only to pay for or repay amounts borrowed to finance a project owned by a political subdivision.

Additionally, appropriation of the funds approved can't exceed:

- 1) an annual amount of 70% of state sales tax revenue collected by retailers and operators doing business at such facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and state sales tax revenue collected by associated hotels and nearby retailers, and
- 2) an aggregate amount of not more than the maximum aggregate appropriation.

Finally, it modifies §13-2606, in which at the public hearing, the board may provide for the acceptance of additional evidence after conclusion of the public hearing. Now with LB 116, any such additional evidence shall be provided "contemporaneously" to the applicant.

Major Objects of Expenditure								
Class Code	Classification Title	25-26 <u>FTE</u>	26-27 <u>FTE</u>	27-28 <u>FTE</u>	25-26 Expenditures	26-27 Expenditures	27-28 Expenditures	
	Benefits							
	Operating Costs							
Capital Outlay								
Total	S							

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The revenue impact of LB 116 on the General Fund and Cash Funds are unknown and contingent upon future qualifying 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, \$18.5 million is forecast to be transferred during fiscal year 2024-2025 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 Department of Revenue to implement this bill.

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

				ISCAL NOTE	
Nebraska Department of Transportation					
Date Prepa	ared: <sup>(4)</sup> 1/17	/2025	Phone: (5)	402-479-4691	
IDED BY STAT	E AGENCY O	R POLITICAL	<u> SUBDIVISI</u>	ON	
7 9095-96			FV 9096-	97	
	<u>ENUE</u>	EXPENDITU		<u>REVENUE</u>	
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•		•	on the Highv	vay Trust Fund	
WN BY MAJOR (	OBJECTS OF	EXPENDITU	<u>RE</u>		
NUMBER OF POS	SITIONS	2025-26		2026-27	
<u>25-26</u>	<u>26-27</u>		<u>JRES</u>	EXPENDITURES	
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	Date Preparent DED BY STATE 2025-26  Solution Center Facility of the Area of the International Amount Six hundred yar Department of Facility of Power Propagation (IVMBER OF POwer Propagation Propaga	Date Prepared: (4) 1/17  IDED BY STATE AGENCY OF The Prepared	Date Prepared: (4) 1/17/2025  IDED BY STATE AGENCY OR POLITICAL  2025-26  REVENUE EXPENDITU  Intion Center Facility Financing Assistance apitol the area used in determining nearby nin the territorial boundaries of the applicate total amount of square footage that such six hundred yards of the State Capitol.  Department of Revenue, no fiscal impact of the symmetry of the symmetry of the State Capitol.  WN BY MAJOR OBJECTS OF EXPENDITURED IN THE STATE OF THE	Nebraska Department of Transportation  Date Prepared: (4) 1/17/2025 Phone: (5)  IDED BY STATE AGENCY OR POLITICAL SUBDIVISI  2025-26 FY 2026-35  REVENUE EXPENDITURES  Intion Center Facility Financing Assistance Act. If an expitol the area used in determining nearby retailers shain the territorial boundaries of the applicant which are e total amount of square footage that such area would six hundred yards of the State Capitol.  Department of Revenue, no fiscal impact on the Highway MAJOR OBJECTS OF EXPENDITURE  WN BY MAJOR OBJECTS OF EXPENDITURE	

<b>LB</b> (1) 116					FISCAL NOTE
State Agency OR	Political Subdivision Name: (2)	Lancaster County,	Nebraska		
Prepared by: (3)	Dennis Meyer	Date Prepared: (4)	1/16/2025	Phone: (5)	402-441-6869
	ESTIMATE PROV	IDED BY STATE AGEN	NCY OR POLITICA	AL SUBDIVIS	ION
	FV	2025-26		FY 2026	-97
	EXPENDITURES		EXPENDIT		REVENUE
GENERAL FUN	NDS		_		
CASH FUNDS					
FEDERAL FUN	IDS				
OTHER FUNDS	S				
TOTAL FUNDS	S				
Explanation of l	Estimate:				
	o financial impact on Lancas	ter County unless and u	ntil the County dete	ermines to pro	oceed with a project
under the provis	sions of LB116.				
	BBEAKDON	TALBY WATON ON INC.	CC OF EXPENDING	LIDE	
Personal Service		VN BY MAJOR OBJECT	S OF EXPENDIT	<u>UKE</u>	
POSIT	N ΓΙΟΝ TITLE	UMBER OF POSITIONS <u>25-26</u> <u>26-27</u>	S 2025-2 <u>EXPENDIT</u>		2026-27 EXPENDITURES
1 0511	TION TITLE	<u>25-26</u> <u>26-27</u>	EXILIDI	CKLS	<u>EXILIBITORES</u>
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Benefits					
Operating					
Travel					
${\bf Capital\ outlay}$					
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	ments				
TOTAL					

<b>LB</b> <sup>(1)</sup> 116			FISCAL NOTE			
State Agency OR Political Subdivision Name: (2)	Nebraska Association of County Officials					
Prepared by: (3) Elaine Menzel	Date Prepared: (4)	1/15/2025 Phor	ne: (5) 402.434.5660			
ESTIMATE PROV	IDED BY STATE AGEN	NCY OR POLITICAL SUBI	DIVISION			
FY	2025-26	FV	2026-27			
EXPENDITURES		EXPENDITURES	REVENUE			
GENERAL FUNDS						
CASH FUNDS						
FEDERAL FUNDS						
OTHER FUNDS						
TOTAL FUNDS						
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<b>Explanation of Estimate:</b>						
There are no additional requirements or unless an appropriation is received. The Assistance Act is \$150 million which wa	e possible amount in th	ne Convention Center Fa				
BREAKDOV Personal Services:	VN BY MAJOR OBJECT	S OF EXPENDITURE	<del>-</del>			
N	UMBER OF POSITION		2026-27			
POSITION TITLE	<u>25-26</u> <u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>			
Benefits		<u> </u>	·			
Operating						
Travel						
Capital outlay						
Aid						
Capital improvements						
TOTAL						