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DATE PREPARED: March 19, 2025
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LB 116

Revision: 01

Revised Agency Response

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				

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

This fiscal note has been updated to reflect the bill, as amended, and a new response from the Department of Revenue (DOR).

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 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 appropriation.

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 DOR estimates minimal costs to it to implement the bill and no additional cost to the General Fund revenue as the Act already existed. There is no basis to disagree with these estimates by the DOR.

Should any new application be approved under the Act, as amended by LB 727 (2023), which reopened the application period and expanded eligibility, the total impact to net General Fund revenues will be included in the next General Fund revenue forecast estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 116	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang		DATE: 3/19/2025	PHONE: (402) 471-4178
COMMENTS: The Department of Revenue revised assessment of no fiscal impact from LB 116 appears reasonable.			

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:							
Approved by: James R. Kamm				Date Prepared:		03/19/2025		Phone: 471-5896			
	<u>FY 2025-2026</u>				<u>FY 2026-2027</u>				<u>FY 2027-2028</u>		
	<u>Expenditures</u>		<u>Revenue</u>		<u>Expenditures</u>		<u>Revenue</u>		<u>Expenditures</u>		<u>Revenue</u>
General Funds			\$ 0				\$ 0				\$ 0
Cash Funds											
Federal Funds											
Other Funds											
Total Funds			\$ 0				\$ 0				\$ 0

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, replacing, 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							
<u>Class Code</u>	<u>Classification Title</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
Total.....							

It is estimated that there will be minimal costs to the Department of Revenue to implement this bill and no additional cost to the General Fund revenue as the act already existed.

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