

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		(\$148,000)		(\$201,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		(\$148,000)		(\$201,000)

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

LB 234 amends the Urban Redevelopment Act.

The bill amends section 77-6906 under the Act to add any federal census tract directly adjacent to an area described in subdivision (1) of the section. Subdivision (1) is the current definition in statute of economic redevelopment area under the Act. The current definition of economic redevelopment area under the Act is an area in the State of Nebraska in which the average rate of unemployment in the area is at least 150% of the average rate of unemployment in the state and the average poverty rate in the area is 20% or more for the federal census tract in the area.

The Department of Revenue (DOR) estimates the following decrease to General Fund revenues as a result of the bill:

- FY26: (\$148,000)
- FY27: (\$201,000)
- FY28: (\$205,000)
- FY29: (\$209,000)

The DOR estimates minimal costs to it as a result of the bill.

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

The Department of Economic Development estimates the provisions of the bill can be accomplished with current resources. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 234	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang		DATE: 3/18/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the Department of Revenue assessment of fiscal impact from LB 234.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 234	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Ryan Yang		DATE: 2/28/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Economic Development assessment of no fiscal impact from LB 234.			

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

LB: 234	AM:	AGENCY/POLT. SUB: Lancaster County, Nebraska
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REVIEWED BY: Ryan Yang	DATE: 1/24/2025	PHONE: (402) 471-4178
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COMMENTS: No basis to disagree with the Lancaster County, Nebraska assessment of minimal fiscal impact from LB 234.

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

LB: 234	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials
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REVIEWED BY: Ryan Yang	DATE: 1/22/2025	PHONE: (402) 471-4178
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COMMENTS: No basis to disagree with the Nebraska Association of County Officials assessment of no fiscal impact from LB 234.
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Please complete ALL (5) blanks in the first three lines.

2025

LB⁽¹⁾ 234

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 2/26/2025 Phone: ⁽⁵⁾ (402) 471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	<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:

LB234 establishes a new definition of Economic Redevelopment Area (ERA). These redevelopment areas will continue to include all areas with an average rate of unemployment at least one hundred fifty percent of the average state rate of unemployment during that same period, that also have a poverty rate of twenty percent or more for the federal census tract, both as measured by the United States Bureau of the Census. The bill would extend this definition to include all census tracts that are directly adjacent to the previously defined redevelopment areas.

The programs impacted by the definition change proposed in LB234 would change eligibility for programs that include the ImagiNE Nebraska Act, the Sports Arena Financing Assistance Act, the Nebraska Innovation Hub Act, the CHIEF Act, the Urban Redevelopment Act, the Business Innovation Act, and the Poverty Elimination Plan Act.

By extending the definition to include adjacent census tracts, the current 74 census tracts included in ERAs, LB234 would add an additional 94 census tracts to the ERA designation. The current ERAs have a median income of \$46,019. Under the new definition, the median income in ERAs would increase to \$56,086, or by 21.9%.

The provisions of LB234 can be accomplished with current DED resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2025-26</u>	<u>2026-27</u>
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

2025

FISCAL NOTE

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1/21/2025 Phone: ⁽⁵⁾ 402-441-6869

	FY 2025-26		FY 2026-27	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Given that Lancaster County's unemployment rate is comparable to the state average, it is unlikely that the county will see significant new areas qualify as "economic redevelopment areas" under the revised definition. As a result, the direct fiscal impact is expected to be minimal.

POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	<u>25-26</u>	<u>26-27</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials

Prepared by: ⁽³⁾ Elaine Menzel

Date Prepared: ⁽⁴⁾ 1/21 /2025

Phone: ⁽⁵⁾ 402.434.5660

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

LB234 would redefine the economic redevelopment area under the Urban Redevelopment Act to include any census tract directly adjacent to an area in the state in which the average rate of unemployment and average poverty rate are provided within the definition.

There is expected to be no fiscal impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE				
Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

State Agency Name: Department of Revenue			Date Due LFO:
Approved by: James R. Kamm	Date Prepared:	03/17/2025	Phone: 471-5896

LB 234 expands the definition of economic redevelopment area under the Urban Redevelopment Act to include any federal census tract directly adjacent to an area that met the original definition, which is an area with an unemployment rate of at least 150% of the state average and a poverty rate of at least 120% of the federal census tract in the area.

Fiscal Year	General Fund Revenues
FY 2025-26	(\$ 148,000)
FY 2026-27	(\$ 201,000)
FY 2027-28	(\$ 205,000)
FY 2028-29	(\$ 209,000)

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

<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.....							