

PREPARED BY: Clinton Verner
DATE PREPARED: January 25, 2025
PHONE: 402-471-0056

LB 291

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	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

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

LB291 creates the Aid to Municipalities Act.

LB291:

- Sets the purpose;
- Sets definitions;
- Establishes a grant program within the Department of Economic Development;
- Establishes eligibility under the grant program;
- Caps each grant at \$5,000,000;
- Creates the Aid to Municipalities Cash Fund; and
- Creates intent to appropriate \$15,000,000 per year for the Act.

The Department's estimate for fiscal impact, should appropriations be provided, appears reasonable.

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

LB: 291	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Ryan Yang		DATE: 1/24/2025	PHONE: (402) 471-4178
COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 291 appears reasonable.			

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2025

LB⁽¹⁾ 291

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 1/22/2025 Phone: ⁽⁵⁾ (402) 471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2025-26</u>		<u>FY 2026-27</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$15,000,000</u>	<u></u>	<u>\$15,000,000</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u>\$15,000,000</u>	<u></u>	<u>\$15,000,000</u>	<u></u>

Explanation of Estimate:

LB291 adopts the Aid to Municipalities Act to provide grants to cities and villages to pay for infrastructure projects owned or operated by the municipality, including: solid waste management facilities, wastewater, storm water, water treatment airports port facilities, building and capital equipment used for municipal government, convention and tourism facilities, redevelopment projects, mass transit and parking infrastructure. Under the provisions of LB224 a city or village would apply to DED on a first come, first served basis for a grant of up to \$5 million to pay for qualified infrastructure projects.

LB291 creates a new cash fund in DED, the Aid to Municipalities Fund, for purposes of carrying out the Aid to Municipalities Act and contains intent language to appropriate \$15 million each year to the DED to carry out the act.

The provision of LB291 will require the services of 1.0 FTE Economic Development Manager, 1.0 FTE Economic Development Business Consultant II, 0.25 FTE IT Database Analyst to create the application and grant management system, and 0.25 Accountant III to disburse grant funds. Operating costs include \$17,050 for grant management software and licenses and 7,460 for leased office space, annually.

The bill as drafted, creates a cash fund but does not appear to transfer funds to the cash fund.

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>
A49012 Econ Dev Bus Consultant II	0.75	1.00	\$46,410	\$61,880
A19013 Accountant III	0.00	0.25	0	18,060
A07081 IT Database Analyst	0.50	0.25	36,940	18,470
Total	1.25	1.50	\$83,350	\$98,410
Benefits.....			\$29,170	\$34,440
Operating.....			43,400	48,740
Travel.....			8,330	10,330
Capital outlay.....			8,600	0
Aid.....			14,827,150	14,808,920
Capital improvements.....				
TOTAL.....			\$15,000,000	\$15,000,000