

11/10/12

PREPARED BY: Doug Gibbs
 DATE PREPARED: January 26, 2012
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LB 924

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2012-13		FY 2013-14	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 924 would reinstate and amend the Nebraska Redevelopment Act.

The Nebraska Redevelopment Act stopped accepting area and project applications on January 31, 2000; LB 924 now provides that area and project applications will be accepted up to January 31, 2022.

In general, the bill changes the Redevelopment Act to make it more similar to the Community Development Law.

The bill changes the makeup of the redevelopment board by removing the State Treasurer and chairperson of the Nebraska Investment Council and replacing them with the executive director of the Nebraska Investment Finance Authority and, if the applicant for a project is a city, the mayor and director of finance of that city and the county commissioner who represents that portion of the county with the largest proposed blighted and substandard area. If the applicant is a joint entity, the additions to the board include the mayor and director of finance of the city in which the project is located and the county commissioner representing the largest portion of the county designated blighted and substandard.

The bill appears to clarify that an employee is the result of the redevelopment project; strikes language regarding notification of school districts within 20 miles of the project and replaces that with notification of school districts that abut the border of the project; reduces the qualifying investment from 50 to 25 million dollars and the level of new employees from 500 to 150.

LB 924 provides that when there isn't a redevelopment project valuation on parcels that the county assessor shall determine such valuation based upon fair market valuation of the parcels as of January 1 of the year prior to the year that the property taxes are to be divided. In addition, notices on the division of property taxes are to be sent by the taxing body to the county assessor, failure to do so results in the taxes remaining undivided and being paid into the funds for each taxing body. The bill also specifies that if the current assessed valuation is less than the redevelopment project valuation then the current assessed valuation shall be the value assessable to the taxing body for the current year and there will be no excess valuation or tax proceeds available to the redevelopment project.

Finally, the bill requires reports from the city or joint entity which has approved any project application to file a report on the project to the Property Tax Administrator. The Property Tax Administrator is also required to file a report with the Legislature of each active redevelopment project based on the information received from the cities or joint entities. The report is due March 1 of each year.

The bill is estimated to have no fiscal impact to the state.

The Department of Revenue indicates the cost to implement LB 924 to be minimal. We agree with the Department's estimate of cost.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	1/30/12	PHONE 471-2526
COMMENTS			
DEPT. OF REVENUE – No basis to disagree with estimate.			

