PREPARED BY: DATE PREPARED: PHONE: Doug Gibbs February 12, 2013 402-471-0051

**LB 627** 

Revision: 00

## **FISCAL NOTE**

## **LEGISLATIVE FISCAL ANALYST ESTIMATE**

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2013-14		FY 20	14-15			
	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.

LB 627 amends the Nebraska Advantage Act and the Nebraska Advantage Rural Development Act.

The bill provides that each Act shall terminate on July 1, 2018 unless extended by the Legislature and then shall terminate every five years after being extended unless again extended. Termination will not affect any agreements in place on the date of termination.

The Department of Revenue estimates that the bill will not generate any additional projects under either Act and will only shift the timeframe as to when they might apply. Therefore, there is no fiscal impact as a result of LB 627 and no cost to implement.

We agree with the Department of Revenue's estimate of fiscal impact and cost.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES							
LB: <mark>627</mark>	AM:	AGENCY/PO	LT. SUB: Dept. of Revenue				
REVIEWED BY: Ly	n Heaton		DATE: 2/8/2013	PHONE: 402.471.4181			

COMMENTS: The Department's fiscal note does not include an estimate of the eventual future fiscal impact on the General Fund from the elimination of these incentive programs beginning July 1, 2018. However, it is reasonable to assume that elimination of the programs, if not reauthorized by the Legislature, will at some point beyond FY 2016-17 have a fiscal impact on the General Fund, both in terms of revenue and operational cost.

State Agency Estimate							
State Agency Name: Department of	of Revenue				Date Due LFA:		
Approved by: Douglas Ewald		Date Prepared:	01/25/2013		Phone: 471-5896		
	FY 2013	FY 2013-2014		FY 2014-2015		FY 2015-2016	
	Expenditures	Revenue	<b>Expenditures</b>	Revenue	<b>Expenditures</b>	Revenue	
General Funds		\$0		\$0		\$0	
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		\$0		\$0		\$0	
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LB 627 terminates the Nebraska Advantage Act and the Nebraska Advantage Rural Development Act on July 1, 2018 unless the programs are renewed by the Legislature. The Legislature must reauthorize each program every five years.

It is estimated that LB 627 will not generate additional projects under the Nebraska Advantage Act and Nebraska Advantage Rural Development Act. It will only shift the timeframe of when businesses decide to apply. Therefore, it is estimated that LB 627 will have no overall impact on the General Fund.

It is estimated that there will be no costs to the Department to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	13-14 <u>FTE</u>	14-15 <u>FTE</u>	15-16 <u>FTE</u>	13-14 Expenditures	14-15 Expenditures	15-16 <u>Expenditures</u>
Benefits.							
Operating Costs.							
Travel							
Capital Outlay							
Aid							
Capital Improvements.							
Total							