

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	0	0		
CASH FUNDS	50,000	50,000		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	0	0		

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

LB 1114 would make revisions to the Business Innovation Act, the Community Development Assistance Act and authorize studies related to high growth business development. The fiscal impact LB 1114 would include the following:

Expansion of the Business Innovation Act grant categories -- LB 1114 would establish a new grant category under the Business Innovation Act. The category would authorize support for Nebraska-based, high growth businesses by providing technical resources to foster development, growth and high wage creation. Companies eligible for this grant category would have 2 to 50 employees and annual sales of no less than \$500,000 and no more than \$2,500,000. The inclusion of a new grant category would expand the range of projects and entities that could be funded under the act, but would not in itself impact total program expenditures.

Revised termination date for the Business Innovation Act -- Current law provides that the Business Innovation Act would terminate on October 1, 2016. LB 1114 would revise the termination date to December 1, 2021 and continue program funding into FY21-22. The current funding level of the program is \$7,110,000 General Funds.

Reduction of the Community Development Assistance Act tax credit -- LB 1114 would reduce by \$50,000 the amount of tax credits available under the Community Development Assistance Act during FY14-15. This revision would increase General Fund revenue by \$50,000 in FY14-15 only.

High Growth Business Development Cash Fund and related studies -- The High Growth Business Development Cash Fund would be established in the Department of Economic Development for the purpose of conducting a study regarding venture capital best practices. The Department of Economic Development would be directed to commission a nonprofit organization to conduct the study and report its findings to the Clerk of the Legislature no later than December 1, 2014. LB 1114 would authorize the transfer of \$50,000 General Funds into the cash fund on August 1, 2014. It is estimated that all expenditures from the cash fund related to this purpose would be carried out in FY14-15.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 1114	AM:	AGENCY/POLT. SUB: Dept. of Economic Development	
REVIEWED BY: Gary Bush		DATE: January 29, 2014	PHONE: 471-4161
COMMENTS: Agree with the agency's estimate of impact.			

