

PREPARED BY: Doug Gibbs
 DATE PREPARED: February 27, 2017
 PHONE: 402-471-0051

LB 475

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2017-18		FY 2018-19	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		\$0		\$12,500,000
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		\$0		\$12,500,000

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

LB 475 changes the application deadline for the Nebraska Job Creation and Mainstreet Revitalization Act.

The new deadline would be the effective date of LB 475. The bill contains the emergency clause, so the deadline would be sometime in 2017.

The Department of Revenue estimates the following fiscal impact of LB 475:

FY2017-18:	\$	0
FY2018-19:	\$	12,500,000
FY2019-20:	\$	12,500,000
FY2020-21:	\$	12,500,000

The Department of Revenue indicates that the cost to implement LB 475 will be minimal.

We have no basis to disagree with the Department of Revenue’s estimate of fiscal impact or cost.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 475	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lyn Heaton	DATE: 3/1/2017	PHONE: (402) 471-4181	
COMMENTS: No basis upon which to disagree with the Dept. of Revenue’s estimated impact on General Fund revenue. However, the Department was appropriated about \$115,000 General Funds, which continues on an annual basis, to administer the credits when the program was enacted, which could potentially be unnecessary in the full amount beginning in FY 2018-19 or FY 2019-20. It would need to be determined how much additional monitoring of the use of the credits is needed beyond the sunseting of the program.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 475	AM:	AGENCY/POLT. SUB: NE State Historical Society	
REVIEWED BY: Lyn Heaton	DATE: 3/1/2017	PHONE: (402) 471-4181	
COMMENTS: No basis upon which to disagree with the personnel expenditure savings and related fee revenue reduction estimates provided by the Historical Society. There would likely also be savings of operating expenses in addition to personnel expense.			

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2017

LB⁽¹⁾ 475

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska State Historical Society

Prepared by: ⁽³⁾ Michelle Furby Date Prepared: ⁽⁴⁾ January 25, 2017 Phone: ⁽⁵⁾ (402) 471-3171

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	-137,198.00	-142,700.00	-143,174.00	-144,000.00
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>-137,198.00</u>	<u>-142,700.00</u>	<u>-143,174.00</u>	<u>-144,000.00</u>

Explanation of Estimate:

The Nebraska State Historic Tax Credit (NHTC) was initiated in 2015 under the Nebraska Job Creation and Main Street Redevelopment Act, which expires in 2022. In its first year, the program generated nearly \$80 million in economic activity and created 1,033 jobs in Nebraska for a \$15 million investment (Bureau of Business Research Study, 2016). We expect that the economic benefit of the program will continue to grow in the years ahead. Elimination of the program would reduce economic development revenue for the state. The NHTC provides a state tax credit of up to 20% of qualified rehabilitation expenditures and individual projects are capped at \$1 million. The primary goal of the program is to promote economic development and the creation of jobs. The NHTC has encouraged investment in historic resources in rural communities and urban cores, created jobs, and supported the creation of small businesses and healthy communities across Nebraska.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18</u>	<u>2018-19</u>
	<u>17-18</u>	<u>18-19</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Building Program Specialist	1	1	47,277.83	48,412.50
Staff Assistant	.8	.8	27,336.25	27,992.32
Benefits.....			62,583.92	66,769.18
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			137,198.00	143,174.00