

revised to reflect amendments

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2007-08		FY 2008-09	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	58,400	(1,958,579)	55,300	(2,027,129)
CASH FUNDS	1,958,579	1,958,579	2,027,129	2,027,129
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,016,979	0	2,082,429	0

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

Bill Provisions: LB 551 changes the way in which the State assists political subdivisions in financing certain convention and meeting center facilities. Under LB 551, the State will provide financial assistance for Board approved, publicly financed, convention and meeting center facilities, sports arena facilities, and associated hotel facilities. Under the provisions of LB 551, the state shall provide financial assistance in accordance with the amount of sales tax revenue collected by retailers doing business at the aforementioned facilities. New applications for state assistance will not be accepted after June 1, 2010.

As amended, the bill requires that the Tax Commissioner shall audit and certify the amount of state sales tax revenue collected by retailers at all of the defined facilities. The legislature will then appropriate 70% of the certified amount to the political subdivision applying for assistance and the remaining 30% to the Local Civic, Cultural, and Convention Center Financing Fund. As amended, the bill requires that 10% of the appropriation to the political subdivision be utilized for projects in areas with a high concentration of poverty in order to promote athletics and tourism. Also, cities receiving funding under the Convention Center Facility Financing Assistance Act cannot receive funding under the Local Civic, Cultural, and Convention Center Financing Act and vice versa.

General Fund Revenue Impact: The only applicant for state assistance under current law is the city of Omaha. The impact of LB 551 on the current average appropriation is detailed below.

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11
Total Increase in Current Appropriation	1,958,579	2,027,129	2,098,079	2,171,512

It is assumed that no other major convention center or sporting arena facility projects would be able to gain approval, complete construction, and begin realizing revenue within the next two bienniums.

General Fund Expenditure Impact: The Department of Revenue estimates the following implementation costs:

Expense Items	FY08	FY09
Revenue Auditor Senior (1.0 FTE)	40,400	41,600
Benefits	13,300	13,700
Operating Expenses	4,700	
Total	58,400	55,300

Impact on Political Subdivisions: Whether utilizing the Convention Center Facility Financing Assistance Act or the Local Civic, Cultural, and Convention Center Financing Act, a political subdivision must expend local funds in order to utilize the provisions of this bill. Any expenditure of local funds could result in a potential increase in local taxes (property taxes, local option sales tax, etc.).