

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2023-24</b>		<b>FY 2024-25</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$40,100	(\$16,173,000)	\$49,100	(\$24,745,000)
CASH FUNDS	\$16,815,000	\$16,269,000	\$25,924,000	\$24,922,000
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$16,855,100</b>	<b>\$96,000</b>	<b>\$25,973,100</b>	<b>\$177,000</b>

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

LB 797 seeks to amend provisions in the Convention Center Facility Financing Assistance Act. The bill increases the source of sales tax revenue to include nearby retailers and makes changes so that \$200 million is the maximum to be approved per project. Nearby retailers are ones located within 1,200 yards of an eligible facility. The bill also changes the sunset date to accept new applications to December 31, 2024 from December 31, 2012.

The Department of Revenue (DOR) estimates the following fiscal impact to funds from the bill:

	<b>General Fund</b>	<b>State Highway Capital Improvement Fund</b>	<b>Highway Allocation Fund</b>	<b>Convention Center Support Fund</b>
FY 2023-2024	(\$16,173,000)	(\$546,000)	(\$96,000)	\$16,815,000
FY 2024-2025	(\$24,745,000)	(\$1,002,000)	(\$177,000)	\$25,924,000
FY 2025-2026	(\$25,240,000)	(\$1,022,000)	(\$180,000)	\$26,442,000
FY 2026-2027	(\$25,745,000)	(\$1,042,000)	(\$184,000)	\$26,971,000

There is estimated to be a revenue loss to the State Highway Capital Improvement Fund and the Highway Allocation Fund, which is distributed to cities and counties. Revenue from the Convention Center Support Fund would be expended from Cash Funds, 70% to cities and 30% to the Civic and Community Center Financing Fund.

The DOR estimates a need for 0.5 FTE of a Revenue Tax Specialist Senior to research and track the increased number of retailers that are located within 1,200 yards of an eligible facility.

The Nebraska Department of Transportation (NDOT) estimates match the estimates from the DOR.

There is no basis to disagree with the estimates provided by DOR and NDOT.

Political subdivisions could see an increase in tax revenue as a result of the additional sales tax radius now at 1,200 yards.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 797	AM:	AGENCY/POLT. SUB: Department of Transportation	
REVIEWED BY: Neil Sullivan	DATE: 2/7/2023	PHONE: (402) 471-4179	
COMMENTS: The Department of Transportation assessment of fiscal impact from LB 797 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 797	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/7/2023	PHONE: (402) 471-4179
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 797 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 797	AM:	AGENCY/POLT. SUB: City of Omaha
REVIEWED BY: Neil Sullivan	DATE: 2/3/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the City of Omaha assessment of local revenue impact from LB 797.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 797	AM:	AGENCY/POLT. SUB: Lancaster County
REVIEWED BY: Neil Sullivan	DATE: 2/3/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Lancaster County assessment of no fiscal impact from LB 797.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 797	AM:	AGENCY/POLT. SUB: Nebraska Association of County Officials
REVIEWED BY: Neil Sullivan	DATE: 2/3/2023	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Nebraska Association of County Officials assessment of indeterminate local impact from LB 797.		



Please complete ALL (5) blanks in the first three lines.

**2023**

**LB<sup>(1)</sup> 797**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Transportation

Prepared by: <sup>(3)</sup> Liza Alderman Date Prepared: <sup>(4)</sup> 2/3/23 Phone: <sup>(5)</sup> 402-479-4692

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	(\$546,000)	_____	(\$1,002,000)
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	(\$96,000)	_____	(\$177,000)
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b> (\$642,000)	<b>=====</b>	<b>=====</b> (\$1,179,000)

**Explanation of Estimate:**

LB 797 proposes state sales tax collected by nearby retailers, excluding state sales tax sourced under sections 77-2703.01 to 77-2703.04, is included in the calculation of the approved amount for state assistance under the Convention Center Facility Financing Assistance Act. The bill defines a nearby retailer as a retailer as defined in section 77-2701.32 that is located within one thousand two hundred yards of an eligible facility, measured from any point of the exterior perimeter of the eligible facility but not from any parking facility or other structure.

In addition, the proposed bill changes the approved amount for state assistance to not exceed two hundred million dollars from the previous one hundred fifty million dollar threshold.

Revenue to Build Nebraska Act Funds				
	FY2023/24	FY2024/25	FY2025/26	FY2026/27
State Highway Capital Improvement Fund	(546,000)	(1,002,000)	(1,022,000)	(1,042,000)
Highway Allocation Fund (cities and counties)	(96,000)	(177,000)	(180,000)	(184,000)
<b>Total</b>	<b>(642,000)</b>	<b>(1,179,000)</b>	<b>(1,202,000)</b>	<b>(1,226,000)</b>

This estimate of decreased tax revenue was obtained from the Nebraska Department of Revenue. The change in the sales tax base will negatively impact revenues to the Build Nebraska Act funds resulting in less available funding to the State Highway Capital Improvement Fund for NDOT and the Highway Allocation Fund for cities and counties.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>

Please complete ALL (5) blanks in the first three lines.

**2023**

**LB<sup>(1)</sup> 797**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> City of Omaha

Prepared by: <sup>(3)</sup> Jeff Roh Date Prepared: <sup>(4)</sup> 2-2-23 Phone: <sup>(5)</sup> 402-444-5451

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	<u>7,000,000</u>	_____	<u>7,210,000</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The city would see an increase in turnback tax revenue, from retail within a 1,200 yard radius.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

**2023**

**LB<sup>(1)</sup> 797**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> County of Lancaster

Prepared by: <sup>(3)</sup> David Derbin Date Prepared: <sup>(4)</sup> 1/23/2023 Phone: <sup>(5)</sup> 4024416865

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

**2023**

**LB<sup>(1)</sup> 797**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Association of County Officials (NACO)

Prepared by: <sup>(3)</sup> Elaine Menzel Date Prepared: <sup>(4)</sup> 1/25/2023 Phone: <sup>(5)</sup> 402.434.5660

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2023-24</u>		<u>FY 2024-25</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB797 would change provisions of the Convention Center Facility Financing Act by defining the term nearby retailer (one located within 1,200 yards of an eligible facility, measured from any point of the exterior perimeter of the eligible facility but not from any parking facility or other structure). Further, the bill would include intent language for the Legislature to appropriate additional state sales taxes collected by nearby retailers, other than associated hotels and increase the amount from \$150 million to \$200 million dollars for any one approved project.

The additional revenue identified would possibly be available within counties with a metropolitan class city and a primary class city, as identified in the Convention Center Facility Financing Act.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2023-24</u>	<u>2024-25</u>
	<u>23-24</u>	<u>24-25</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____