

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$165,988		\$41,200	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$165,988	See Below	\$41,200	See Below

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

LB 1374 would make changes connected to the Good Life Transformational Projects Act. The changes under this bill would also allow for local government involvement and funding regarding good life districts.

This bill contains the emergency clause.

The Department of Revenue (DOR) estimates that the fiscal impact of the bill to local governments is indeterminable due to an unknown number of qualifying projects and the boundaries of good life districts. The increase to the life of the districts from 25 to 30 years is also estimated by the DOR to increase the negative fiscal impact to General Fund revenues.

The DOR estimates a one-time cost of \$61,588 to be paid to the Office of the Chief Information Officer (OCIO) as well as 0.5 FTE Application Developer Senior and 0.5 FTE Revenue Tax Specialist on an ongoing basis as a result of the bill.

There is no basis to disagree with these estimates by the DOR. However, the DOR does not assume any salary or benefits increases for FY25-26 and FY26-27 for the additional personnel needed pursuant to this bill’s provisions. While the actual salary and health insurance increases for FY25-26 and thereafter are not yet determined, it is important to note that any additional personnel in FY24-25 will have ongoing rising costs associated with salary and health insurance increases, which are normally addressed in the biennial budget process for all bargaining and non-bargaining employees.

The Department of Economic Development (DED) estimates that the responsibilities for DED under the bill could be accomplished with current resources. There is no basis to disagree with this estimate.

Lancaster County estimates election costs for local governments that would have an election as a result of this bill.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1374	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 2/9/2024	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Revenue assessment of administrative impact and indeterminate revenue impact from LB 1374.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 1374	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Neil Sullivan	DATE: 2/12/2024	PHONE: (402) 471-4179	
COMMENTS: The Department of Economic Development assessment of minimal fiscal impact from LB 1374 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1374	AM:	AGENCY/POLT. SUB: Lancaster County
REVIEWED BY: Neil Sullivan	DATE: 2/9/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Lancaster County assessment of no fiscal impact from LB 1374.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1374	AM:	AGENCY/POLT. SUB: Lancaster County Election Commissioner
REVIEWED BY: Neil Sullivan	DATE: 2/9/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Lancaster County Election Commissioner assessment of no net fiscal impact from LB 1374.		

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

2024

LB⁽¹⁾ 1374

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Economic Development

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 2/08/2024 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	<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:

LB1374 creates the Good Life District Economic Development Act (“Program”) and amends several statutes. The program would allow a municipality to appropriate local resources to support a Good Life District (GLD) under the Good Life Transformational District Act, if approved by voters. If the election is successful a program district is created with the same boundaries as the GDL, which may be extended by annexation by the municipality; a municipality may enter into an exclusive contract with a qualifying business to provide assistance under the program for development of the property, use of the property, and other matters.

If the city is successful in creating a program district under the provisions of LB1374, the city would be authorized to issue bonds to carry out the purposes of the program and the city is authorized to establish one or more of the following local sources of revenue to repay the bonds:

- An additional local option sales and use tax up to 2.75%
- A general business occupation tax, or portions of an existing local option sales and use tax
- A portion of the city’s local option sales and use tax

The bill would also amend portions of the Good Life Transformational District Act, to create an exception to the current restrictions horse tracks or gaming facilities provided these facilities are publicly owned or used by the Nebraska State Fair Board and do not include gaming devices located within these facilities. The length of a GLD would be increased from 25 to 30 years and the size of a GLD would be expanded from 2,000 to 3,000 acres for GLDs outside a city of the metropolitan class. Finally, DED would be responsible for approving applications for changing the boundaries of GLDs and would be required to share all information produced in the application and approval of any GLDs under the act.

LB1374 contains an emergency clause.

The additional duties required of DED due to the provisions of LB1374 can be accomplished with current DED resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u> <u>EXPENDITURES</u>	<u>2025-26</u> <u>EXPENDITURES</u>
	<u>24-25</u>	<u>25-26</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

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

2024

LB⁽¹⁾ 1374

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County Election Commissioner

Prepared by: ⁽³⁾ Todd Wiltgen Date Prepared: ⁽⁴⁾ January 24, 2024 Phone: ⁽⁵⁾ (402) 441-7311

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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:

There would be no fiscal impact to Lancaster County since all costs associated with a local election are charged back to the political subdivision that submits a ballot question for an election. The estimated cost sharing for an election held in conjunction with the statewide primary or statewide general would range from \$100 for a small village to \$100,000 for the City of Lincoln. The cost for a special election would be the sole responsibility of the political subdivision submitting the question and the cost would range from \$4,500 for a small village to \$350,000 for the City of Lincoln.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

economic development program and paying principal of and interest on bonds. The city or village will provide for an annual outside independent audit of each good life district economic development program.

The city or village may enter into contracts and agreements with qualifying businesses related to assistance under the good life district economic development program provided the city or town enters into an exclusive agreement with an applicant approved by the Department of Economic Development (DED).

The Nebraska Budget Act will not apply to any good life district economic development program.

For purposes of the Community Development Law, a good life district is added to the definition of blighted area.

The Good Life Transformational Projects Act is amended to allow a good life district to include a licensed racetrack enclosure if it is publicly owned or used by the Nebraska State Fair Board provided no gaming devices or games of chance are operated in the facility. Expands the life of a good life district from twenty-five years to thirty years and increases the allowable size to three thousand acres in size for projects outside of the metropolitan class. The applicant and DED may adjust the boundaries of the good life district provided any removal of an area has not been pledged for payment of bonds under the Good Life District Economic Development Act. DED will provide all information related to the application of an approved good life district to the city or village, the information will remain confidential. There is no similar provision to notify the Department of Revenue (DOR) of the boundaries or rate changes within a Good Life District. There is no provision to allow proper notification to retailers of the sales tax rate changes contained in the Good Life District. For rate changes retailers and the public are given at least 60 days notice of the rate changes and in most cases DOR provides 120 days notice.

The fiscal impact of LB 1374 to the city or town is indeterminable due to an unknown number of qualifying projects and the boundary of the Good Life District. Increase the life of the district from 25 years to 30 years will also increase the fiscal impact to the General Fund revenues.

It is estimated that a one-time payment of \$61,588 paid to the OCIO for programming cost for the implementation of multiple tax rate in a given area. DOR will also need 0.5 FTE of the Application Developer Senior for one year and a 0.5 FTE tax specialist on an ongoing basis to implement LB 1374.

The operative date for this bill is three months after adjournment.

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2024

LB⁽¹⁾ 1374

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Lancaster County (Budget & Fiscal)

Prepared by: ⁽³⁾ Dennis Meyer Date Prepared: ⁽⁴⁾ 1-25-24 Phone: ⁽⁵⁾ 402-441-6869

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2024-25</u>		<u>FY 2025-26</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 to Lancaster County.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____