

# FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

## ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		See Below		See Below
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		See Below		See Below

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

LB 314 changes provisions of the Sports Arena Facility Financing Assistance Act.

Section 1 adds a new category of allowable applicants under the act. Under LB 314, coapplicants described under section 13-3102(1)(b) that have adopted a resolution authorizing either the political subdivision or the nonprofit corporation to pursue financing or bonds to acquire, construct, improve, or equip and eligible facility are eligible for application.

Section 2 provides for an exemption under certain conditions.

The State Treasurer estimates no fiscal impact. This estimate appears reasonable.

The Department of Revenue anticipates the potential for General Fund and Cash Fund revenue reductions based on the provisions of LB 314. Due to the uncertainty regarding the number and locations of potential projects, the Department of Revenue is unable to estimate the potential General Fund revenue loss.

There is no basis to disagree with the estimate of potential revenue reductions.

### ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 314	AM:	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY: Ryan Yang		DATE: 1/17/2025	PHONE: (402) 471-4178
COMMENTS: No basis to disagree with the State Treasurer assessment of no fiscal impact from LB 314.			

### ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 314	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang		DATE: 1/28/2025	PHONE: (402) 471-4178
COMMENTS: Concur with the Department of Revenue assessment of indeterminate General Fund and Cash Fund impacts from LB 314. Also concur with the Department on minimal implementation costs related to LB 314.			

### State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:			
Approved by: James R. Kamm				Date Prepared: 01/28/2025		Phone: 471-5896	
		<b><u>FY 2025-2026</u></b>		<b><u>FY 2026-2027</u></b>		<b><u>FY 2027-2028</u></b>	
	<u>Expenditures</u>	<u>Revenue</u>		<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		Indeterminable			Indeterminable		Indeterminable
Cash Funds							
Federal Funds							
Other Funds							
Total Funds		Indeterminable			Indeterminable		Indeterminable

LB 314 broadens the categories of applicants who may apply for the Sports Arena Facility Financing Assistance Act. It adds a new category of applicants for the Arena board to consider. With this bill, the board may issue a “temporary approval” if a building permit was not yet issued but the political subdivision or the nonprofit corporation has adopted a resolution authorizing either of them to pursue financing or bonds to acquire, construct, improve, or equip an eligible sports arena facility.

If the building permit for the eligible sports arena facility is issued within 24 months of the temporary approval, the approval by the board becomes permanent. If the building permit is not issued within the 24 months of the temporary approval, then the temporary approval will become void.

Also, this bill clarifies what a “lease” is by defining it as “any contractual lease agreement between the co-applicants described in subdivision (1)(b) of section 13-3102 for the use of an eligible sports arena facility at fair market rental value for a term not to exceed twenty years”. Applicants may use state assistance funds to lease a privately owned sports complex for governmental use of the political subdivision at fair market rental value for a maximum of 20 years.

The revenue impact on the General Fund and Cash Funds is unknown and contingent upon future qualifying sports arena projects. Depending on the number and location of these projects, there is potential for a significant reduction in state sales tax revenue.

It is estimated that there will be minimal costs to the Department of Revenue to implement this bill.

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

Major Objects of Expenditure							
<u>Class Code</u>	<u>Classification Title</u>	<u>25-26 FTE</u>	<u>26-27 FTE</u>	<u>27-28 FTE</u>	<u>25-26 Expenditures</u>	<u>26-27 Expenditures</u>	<u>27-28 Expenditures</u>
Benefits.....							
Operating Costs.....							
Travel.....							
Capital Outlay.....							
Capital Improvements.....							
<b>Total.....</b>							

State Agency OR Political Subdivision Name: <sup>(2)</sup> State Treasurer

Prepared by: <sup>(3)</sup> Jason Walters

Date Prepared: <sup>(4)</sup> January 16, 2025

Phone: <sup>(5)</sup> 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2025-26		FY 2026-27	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:  
The State Treasurer’s Office doesn’t expect any fiscal impact from LB 314 to the office.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:				
POSITION TITLE	NUMBER OF POSITIONS		2025-26	2026-27
	25-26	26-27	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				