

Revised based upon amendments adopted on Select File.

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				See below
CASH FUNDS		See below		See below
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS		See below		See below

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

LB 224 as amended includes the following provisions:

**Relocation of the Nebraska State Fair and distribution of lottery revenue:** Current law provides that the State Fair will be relocated to Grand Island contingent upon the University of Nebraska and the city of Grand Island meeting the required financial commitments and the University of Nebraska providing a master business plan for Innovation Campus on or before December 1, 2009. LB 224 would amend existing law to provide that the transfer of the current State Fairgrounds property to the University is contingent upon the development of a master business plan, and the relocation of the State Fair would be contingent upon the University of Nebraska and Grand Island meeting the statutory financial requirements. LB 224 would also make technical changes and clarifications regarding the distribution of lottery revenue to the State Fair and the provision of matching funds by the most populous city in the county where the State Fair is held. There would be no fiscal impact to the state as a result of the changes contained in LB 224.

**Development of new State Fair location:** LB 224 amends existing legislative intent language regarding the future location of the State Fair. LB 224 specifies that the fair would be located in Grand Island no later than 2010 and allows the fair to be located on parcels of land adjacent to Fonner Park. It is also specified that improvements to Fonner Park may include the relocation of existing improvements. It is estimated that there would no fiscal impact as a result of these provisions.

**Parimutuel tax:** LB 224 would make various changes to the section of law governing the parimutuel tax. The revisions contained in LB 224 would take effect on January 1, 2010. The existing statutory language exempting races held at the Nebraska State Fairgrounds from the parimutuel tax would be stricken. LB 224 provides that racing meets held after January 1, 2010 at a licensed racetrack in Lancaster County where the Nebraska State Fair was held prior to 2010, would be subject to the parimutuel tax. It is also provided that for race meets conducted at the location where the Nebraska State Fair is held, an amount equal to 2.5 percent of the first taxable 70 million dollars of each race meet shall be retained by the licensee for facility maintenance and improvement and considered a credit against the parimutuel tax. Because parimutuel tax revenue is deposited in the General Fund, the net General Fund impact of LB 224 will depend upon whether racing continues at the State Fair Park facility after the property is transferred to the University of Nebraska, and whether the parimutuel tax paid by this facility would offset the parimutuel tax that will not be paid due to the Fonner Park exemption. An agreement between the University of Nebraska and a prospective license holder is nearing completion. It is scheduled to be discussed at the June 2009 meeting of the Board of Regents where approval is expected.

**Political subdivision impact:** LB 224 as amended on Select File includes language that allows up to \$1,500,000 of cash or legally binding commitments provided by or on behalf of the city of Grand Island for the purpose of relocating and reconstructing recreational facilities displaced by the relocation of the State Fair to be considered part of Grand Island's required \$8,500,000 commitment.

**Property lease:** While this matter is not addressed in LB 224, it was noted during General File debate that the State has agreed to lease state property declared vacant and excess to the City of Grand Island. The contract signed by the Department of Administrative Services and the city of Grand Island includes the following: "The State of Nebraska recognizes the importance of recreational facilities to the well being of the citizens of Nebraska. The State further recognizes the need to facilitate development of new recreational facilities as a result of the implementation of LB 1116 (2008) related to the move of the Nebraska State Fair from Lincoln, Nebraska to Grand Island, Nebraska. In recognition thereof, the State agrees to lease the Demised Premises to the Lessee for \$1.00 per year, payable on January 1 of each year beginning January 2, 1010 for the term of this lease." The contract also specifies that if the State Fair is not relocated to Grand Island, a revised rental rate would be negotiated, not to exceed lost rental revenue. The lost rental revenue as a result of the contract is listed as \$12,385.62. The rental revenue would have been deposited in the Vacant Building and Excess Land Cash Fund.