

**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	\$55,700	(\$3,400,000)	\$45,100	(\$5,000,000)
CASH FUNDS	\$2,500,000		\$2,500,000	
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$2,555,700</b>	<b>(\$3,400,000)</b>	<b>\$2,545,100</b>	<b>(\$5,000,000)</b>

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

LB 615 creates the Family Entertainment and Sports Attraction Act; creates the Family Entertainment and Sports Attraction District Fund; renames the Municipal Infrastructure Redevelopment Fund Act; increases the amount of cigarette tax deposited into the Municipal Infrastructure Redevelopment Fund; and authorizes community building districts in counties that meet certain requirements. The bill contains the emergency clause.

The bill provides that cities, counties, or joint entities may apply to the Family Entertainment and Sports Attraction Act board to designate an entertainment and sports attraction district.

A family entertainment and sports attraction district mean an eligible area, not to exceed 200 hundred acres for a project within the boundaries of a city and not to exceed 400 acres for any other project, that is declared to be an area in which the city, county, or joint entity may develop a development project.

A development project means an approved project to implement a development project plan to acquire, construct, and equip a family entertainment and sports attraction facility within a family entertainment and sports attraction district.

The applicant entity may request financial assistance from the state board. The state assistance would not exceed 75% of the state sales tax collected in the district and 100% of the local sales tax from the area. If financial assistance is approved, the Department of Revenue must annually audit or review audits of the status of each project to ensure required levels of employment and investment are satisfied and maintained for at least four years after the required levels are first satisfied; determine each month the amount of state and local sales taxes collected in the project area; and notify the State Treasurer monthly of the amount of assistance to be credited to the fund including amounts by project area.

If the project district is outside any city imposing a local option sales tax, the county could adopt a local option sales tax applicable only in the district by majority vote of the county board. The sales tax must comply with the Streamlined Sales and Use Tax Agreement and the sourcing rules of that agreement would determine which sales occur in the district.

The bill also authorizes the contracting public body that is building the development project or which has entered into an agreement with a public authority or company to do so, to borrow money, issue bonds, provide security for loans or bonds, establish a revolving loan fund, and provide grants, loans, or other means of financing to public or private persons in order to accomplish the development in accordance with the project agreement.

LB 615 also creates the Family Entertainment and Sports Attraction District Fund. The fund is to hold any money received from any financial assistance granted to the contracting public body.

LB 615 amends sections 18-2604 through 18-2609 to rename the Municipal Infrastructure Redevelopment Fund the County and Municipal Infrastructure Redevelopment Fund and adds counties as entities entitled to receive money from the Fund. The bill also increases the amount of cigarette tax deposited into the Fund to \$2,500,000 per fiscal year.

The bill amends sections 23-2901 through 29-2915 regarding community building districts; defines substantially urbanized counties for purposes of these sections; provides that in such counties a majority of real property owners may form, organize, establish a community building district and that such a district, with the approval by resolution of the county board, may impose a sales and use tax provided the county in which the district is located has not adopted a county sales and use tax. The sales and use tax imposed may be ½ %, 1%, or 1 ½%.

A community building district in a substantially urbanized county shall be governed by a board of trustees appointed by the county board and shall consist of a number of residents of the county the number of which is to be determined by the county. Members of the county board may also be members of the board of trustees of a community building district.

Current statute also allows a community building district to levy a property tax not to exceed 1.7 cents per hundred dollars of taxable value.

The community building district in a substantially urbanized county may also issue negotiable bonds, to be known as community building bonds, for the purpose of paying the cost of acquisition, construction, equipping, or maintenance of a community building or buildings and adjoining grounds for housing county enterprises and community activities and for social, athletic, and recreational purposes.

The Department of Revenue estimates the fiscal impact of LB 615 to be as follows:

<u>Fiscal Year:</u>	<u>Expenditures for CMIRF:</u>	<u>FESA District:</u>	<u>General Fund Impact:</u>
2009-10:	\$2,500,000	(\$ 900,000)	(\$3,400,000)
2010-11:	\$2,500,000	(\$2,500,000)	(\$5,000,000)
2011-12:	\$2,500,000	(\$4,300,000)	(\$6,800,000)
2012-13:	\$2,500,000	(\$5,300,000)	(\$7,800,000)

The Department of Revenue estimates they will need an additional 1.0 FTE to implement and administer this bill. The cost is estimated at \$55,700 for FY2009-10 and \$45,100 for FY2010-11.

There is no basis to disagree with the Department of Revenue's estimate of fiscal impact or cost.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	3/18/09	PHONE	471-2526
COMMENTS					
NEBRASKA ASSOCIATION OF COUNTY OFFICIALS: No basis upon which to disagree.					