

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2016-17</b>		<b>FY 2017-18</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS		(\$1,365,000)		(\$3,343,000)
CASH FUNDS		(\$55,000)		(\$135,000)
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>		(\$1,420,000)		(\$3,478,000)

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

LB 884 amends both the Convention Center Facility Financing Assistance Act (CCFFAA) and the Sports Arena Facility Financing Assistance Act (SAFFAA).

The CCFFAA is amended to change the definition of “associated hotel” to mean any publicly or privately owned facility . . . which is located within six-hundred yards of an eligible facility. The current distance for an associated hotel is four-hundred-fifty yards.

The bill also adds language that allows capital improvements to eligible facilities to be paid for with state assistance.

The new language of the bill includes a requirement that of the funds appropriated to a city of the primary class, ten percent of such funds may be invested in areas with a high concentration of poverty within the corporate limits of the city.

The SAFFAA is amended to change the definition of “nearby retailer” to mean a retailer located within the “program area,” which is defined as “the area that is located within six-hundred yards of an eligible sports arena facility, except for applications received after the operative date of LB 884 program area means “the area that is located within six-hundred yards of an eligible sports arena facility . . . except that if twenty-five percent or more of such area is unbuildable property, then the program area shall be adjusted in a way that (i) avoids as much of the unbuildable property as is practical; and (ii) contains the same total amount of square footage that the program area would have contained had no adjustment been necessary. The bill also defined “unbuildable property.”

In addition, SAFFAA is amended to increase the throwback period of one-hundred percent of state sales tax revenue by five years for nearby retailers who commenced collecting state sales tax during the period beginning two years prior to the occupancy of the eligible sports arena facility and now ending seven years after occupancy.

The bill also allows the applicant city to approve a revenue bond or a general obligation bond as a requirement for approval of their application. Only the approval of a general obligation bond is now required.

The bill has an operative date of October 1, 2016.

The Department of Revenue estimates the following fiscal impact as a result of LB 884:

<b>Fiscal Year:</b>	<b>General Fund:</b>	<b>State Highway Capital Improvement Fund:</b>	<b>Highway Allocation Fund: (Local):</b>	<b>Total:</b>
2016-17:	(\$ 1,365,000)	(\$ 55,000)	(\$ 10,000)	(\$ 1,430,000)
2017-18:	(\$ 3,343,000)	(\$ 135,000)	(\$ 24,000)	(\$ 3,502,000)
2018-17:	(\$ 4,762,000)	(\$ 193,000)	(\$ 34,000)	(\$ 4,989,000)
2018-19:	(\$ 5,001,000)	(\$ 202,000)	(\$ 36,000)	(\$ 5,239,000)

The Department estimates the cost to implement the provisions of LB 884 to be minimal.

We have no basis to disagree with the Department’s estimate of fiscal impact and cost.

**LB884 FISCAL NOTE  
LEGISLATIVE FISCAL ANALYST**

**IMPACT TO POLITICAL SUBDIVISIONS:**

The impact to the Highway Allocation Fund is as follows:

FY2016-17:	(\$ 10,000)
FY2017-18:	(\$ 24,000)
FY2018-19:	(\$ 34,000)
FY2019-20:	(\$ 36,000)

**State Agency Estimate**

State Agency Name: Department of Revenue

Date Due LFA:

Approved by: Tony Fulton

Date Prepared:

Phone: 471-5896

	<b>FY 2016-2017</b>		<b>FY 2017-2018</b>		<b>FY 2018-2019</b>	
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds		(\$1,365,000)		(\$3,343,000)		(\$4,762,000)
Cash Funds		(\$55,000)		(\$135,000)		(\$193,000)
Federal Funds						
Other Funds		(\$10,000)		(\$24,000)		(\$34,000)
<b>Total Funds</b>		<b>(\$1,430,000)</b>		<b>(\$3,502,000)</b>		<b>(\$4,989,000)</b>

LB 884 would amend both the Convention Center Facility Financing Assistance Act and the Sports Arena Facility Financing Assistance Act, to expand the amount and use of turnback assistance to projects that were or will be approved under these acts.

The changes to the Convention Center Facility Financing Assistance Act would:

1. Expand the distance required to be an “associated hotel” from 200 (or 450) yards to 600 yards from the convention or meeting center and make the larger range applicable for all existing and future beneficiaries;
2. Allow the turnback revenue to pay for capital improvements to the convention or meeting center, in addition to servicing the debt; and
3. Allow 10% of the funds for a primary class city (Lincoln) to be used to provide low-income housing in areas with a high concentration of poverty.

The changes to the Sports Arena Facility Financing Assistance Act would:

1. Change the turnback area for applications filed after the effective date of the act to exclude unbuildable property if it is more than 25% of the area within the 600 yard radius otherwise applicable. The “program area” as defined by the bill would extend to other areas outside the 600 yard radius, so long as the total area is the same as the 600-yard radius. The map provided at the application and hearing stage is to provide a description of the unbuildable area and the proposed “program area”;
2. Extend the time during which a nearby retailer would be considered “new,” thus allowing its state sales taxes collected to be turned back to the city, from 24 months after occupancy of the sports arena facility to 84 months after occupancy; and
3. Allow the applicant city to satisfy a requirement for assistance by approving a revenue bond. Current law requires the city to approve a general obligation bond.

It is estimated that LB 884 would have the following impact to the General Funds and Cash Funds revenues:

Fiscal Year	General Funds	State Highway Capital Improvement Fund	Highway Allocation Fund (Cities and Counties)	Total
FY 2016-17	\$ (1,365,000)	\$ (55,000)	\$ (10,000)	\$ (1,430,000)
FY 2017-18	\$ (3,343,000)	\$ (135,000)	\$ (24,000)	\$ (3,502,000)
FY 2018-19	\$ (4,762,000)	\$ (193,000)	\$ (34,000)	\$ (4,989,000)
FY 2019-20	\$ (5,001,000)	\$ (202,000)	\$ (36,000)	\$ (5,239,000)

