

Revised for clarification

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		See below		See below
CASH FUNDS	See below		See below	
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below	See below	See below	See below

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

LB 187 amends the Sports Arena Facility Financing Assistance Act to add “sports complex, including concession areas, parking facilities, and onsite administrative offices connected with operating the sports complex” to the definition of eligible sports arena facility. “Sports complex” is defined as a facility that (1) includes indoor areas, outdoor areas, or both, (2) is primarily used for competitive sports, and (3) contains at least a certain number of separate sports venues, depending on the size of city or village, including, but not limited to, baseball, softball, soccer, football, an outdoor stadium, and outdoor arena, or an enclosed, temperature-controlled building.

The bill also changes several applicable dates referring to occupancy to the project completion date, including the date for determining new sales tax revenue.

Revenue:

The Department of Revenue estimates the fiscal impact on the General Fund and Cash Funds is unknown and contingent on the number of future qualifying sports complex facility projects, but depending on the location and nearby businesses, the reduction in state sales tax revenue could be significant. We agree that the fiscal impact of LB 187 will be dependent upon the location of each facility, surrounding businesses’ sales tax collections, and the total number of facilities that qualify for incentives under the bill. It is not possible to determine the total fiscal impact due to these factors.

The department notes that, for comparison purposes, pursuant to the Sports Arena Facility Financing Assistance Act and Convention Center Facility Financing Assistance Act, for three current projects, a total of \$11.7 million was transferred in FY 17-18. For example, the Ralston Arena, the smallest of the three and an approved facility under the Sports Arena Facility Financing Assistance Act, generated \$3.78 million in sales tax pursuant to the act in FY 17-18, of which \$2.65 million was state assistance and \$1.13 million was deposited in the Civic and Community Center Financing Fund. We estimate that, for each new sports complex under LB 187, the amount transferred is likely to be less than for each of the currently-approved facilities, as each project will likely be of a smaller scale. However, the overall fiscal impact could be substantial based on the number of approved facilities.

Expenditures:

The Department of Revenue estimates minimal costs to implement the provisions of the bill.

There is no basis to disagree with this estimate.

