

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

Updated to reflect amendments as of 5/13/21.

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		FY 2022-23	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS		(\$4,000,000)		
CASH FUNDS	See below	\$4,000,000		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below			

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

LB 131 seven bills: LB99, LB131, LB161, LB162, LB218, LB549, and LB556. In addition, AM1275 was introduced on 5/11/21 and adopted on 5/12/21.

LB99

LB 99 removes percentage limitations for political subdivisions to declare areas as extremely blighted. Areas designated as blighted and extremely blighted would be eligible for a 1% bonus wage and investment tax credit under the ImagiNE Nebraska Act. Designation of areas as extremely blighted would be up to the discretion of political subdivisions. We concur with DED that an expansion of areas designated extremely blighted would expand the amount of tax credits awarded under ImagiNE Nebraska. We have no reason to dispute that they could absorb additional work associated with this legislation. The process of declaring an area extremely blighted is outlined in 18-2101.02 and is as follows:

Prior to making such declaration, the governing body of the city shall conduct or cause to be conducted a study or an analysis on whether the area is extremely blighted and shall submit the question of whether such area is extremely blighted to the planning commission or board of the city for its review and recommendation. The planning commission or board shall hold a public hearing on the question after giving notice of the hearing as provided in section 18-2115.01. The planning commission or board shall submit its written recommendations to the governing body of the city within thirty days after the public hearing.

Upon receipt of the recommendations of the planning commission or board, or if no recommendations are received within thirty days after the public hearing required under subsection (2) of this section, the governing body shall hold a public hearing on the question of whether the area is extremely blighted after giving notice of the hearing as provided in section 18-2115.01. At the public hearing, all interested parties shall be afforded a reasonable opportunity to express their views respecting the proposed declaration. After such hearing, the governing body of the city may make its declaration.

Copies of each study or analysis conducted pursuant to subsection (2) of this section shall be posted on the city's public web site or made available for public inspection at a location designated by the city.

The study or analysis required under subsection (2) of this section may be conducted in conjunction with the study or analysis required under section 18-2109. The hearings required under this section may be held in conjunction with the hearings required under section 18-2109.

Should there be an expansion of areas declared extremely blighted, there will be a fiscal impact resulting from the 1% bonus tax credit. However, as the process for declaring an area extremely blighted is contingent upon actions by political subdivisions, it is difficult to estimate the fiscal impact resulting from the 1% bonus tax credit. If use of the credit expands, it will result in General Fund revenue loss, the amount of which is indeterminate.

LB131

Revises statute for local governments enacting ordinances of a general or permanent nature. Section 14-137 mandates ordinances of a general or permanent nature shall be read by title on three different days unless three-fourths of the city council vote to suspend this requirement, except that such requirement shall not be suspended for any ordinance for the annexation of territory or the redrawing of boundaries for city council election districts or wards. LB 131 would include, "or as otherwise provided by law". As this does not expand upon statute but merely incorporates existing statute, this would have no fiscal impact.

LB161

LB 161 provides that the state building code shall be the legally applicable code in all state or state-agency owned buildings. LB 161 updates language reflecting the Department of Energy's merger with the Department of Environmental Quality, forming the Department of Environment and Energy. No fiscal impact.

LB162

LB162 amends a statute relating to cities and villages, providing a procedure for detachment of real property from the corporate limits of a city or village. It also eliminates certain provisions relating to detachment of real property from cities of the first and second class, or village. These amendments are technical and harmonizing in nature and appear to represent no fiscal impact.

LB218

LB 218 would adopt the 2018 Uniform Plumbing Code as the de facto plumbing code for cities or villages that do not have a plumbing code in effect. All costs would be borne by regional governments, which are estimated to be minimal. No fiscal impact to the General Fund or the state government.

LB549

Originally a grant distribution program for transportation related infrastructure projects, LB549 as presented via Urban Affairs Amendment AM741 creates the Municipal Natural Gas System Emergency Assistance Act which is to provide state aid to municipalities in the form of grants to pay for infrastructure projects. The Act is to be administered by the State Treasurer.

Municipalities may apply for a grant by submitting an application to the State Treasurer for a grant to cover up to 80% of the extraordinary costs incurred as a result of an extreme weather event.

Extraordinary cost is defined as a cost that exceed the usual, average, or budgeted costs related to procuring and delivering natural gas. An extreme weather event means a weather event occurring on or after January 1, 2021, including, but not limited to, snow, rain, drought, flood, storm, extreme heat, or extreme cold.

AM471 transfers \$50 million from the General Fund to the created Municipal Natural Gas System Emergency Assistance Fund for purpose of distributing grants. The act sunsets on June 30, 2023 with any unobligated money remitted to the General Fund. Cash Fund expenditures are dependent upon demand and on how efficiently the State Treasurer will distribute grants. We have no reason to dispute their estimate of expending the total amount of funds appropriated in FY21-22.

LB556

LB 556 would allow for municipalities to include additional requirements for redevelopment plans and redevelopment projects as the municipalities deem necessary to comply with the city's comprehensive development plans, affordable housing action plans, city zoning ordinances, and other planning goals within the city. Implementation would be contingent upon the discretion of municipalities. Any cost would be borne by municipalities and developers and would likely be minimal. No fiscal impact to the General Fund.

The cities of Fremont, Grand Island, Imperial, and Lincoln estimate no fiscal impact as a result of LB131, AM751. We have no reason to dispute their estimate. No fiscal impact to political subdivisions.

AM1275

AM1275 raises the bar for requiring a vote of electors on bond issues for municipalities. AM1275 allows for multiple buildings to be purchased and the acquisition limit that would trigger a bond vote is raised from \$2 million to \$5 million. Any cost would be borne by political subdivisions. No fiscal impact to the state of Nebraska.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 131	AM: 751	AGENCY/POLT. SUB: State Treasurer
REVIEWED BY: Jacob Leaver	DATE:	PHONE: (402) 471-4173
COMMENTS: No basis to dispute with the State Treasurer's estimate of fiscal impact as a result of LB 131 AM 751.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 131	AM: 751	AGENCY/POLT. SUB: City of Fremont
REVIEWED BY: Jacob Leaver	DATE:	PHONE: (402) 471-4173
COMMENTS: No basis to disagree with the City of Fremont's estimate of no fiscal impact as a result of LB 131 AM 751.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 131	AM: 751	AGENCY/POLT. SUB: City of Imperial
REVIEWED BY: Jacob Leaver	DATE:	PHONE: (402) 471-4173
COMMENTS: Concur with the City of Imperial of no fiscal impact to the city as a result of LB 131 AM 751.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 131	AM: 751	AGENCY/POLT. SUB: City of Lincoln
REVIEWED BY: Jacob Leaver	DATE:	PHONE: (402) 471-4173
COMMENTS: No basis to dispute with the City of Lincoln's estimate of no fiscal impact as a result of LB 131 AM 751.		

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 131, AM 751

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ State Treasurer

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ March 31, 2021 Phone: ⁽⁵⁾ 402-471-2793

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS		-10,000,000		
CASH FUNDS	10,000,000	10,000,000		
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB 131, AM 751 to the office. However, there will be an impact on the General Fund. AM 751 directs the State Treasurer to transfer \$10,000,000 from the General Fund to the Municipal Natural Gas System Emergency Assistance Fund.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....				

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ LB131, AM751

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Fremont

Prepared by: ⁽³⁾ Brian Newton Date Prepared: ⁽⁴⁾ April 2, 2021 Phone: ⁽⁵⁾ 4027272610

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

NO FISCAL IMPACT

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 131 AM 751

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Imperial

Prepared by: ⁽³⁾ Jo Leyland

Date Prepared: ⁽⁴⁾ 03/31/2021

Phone: ⁽⁵⁾ 308-882-4368

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 131 AM751

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Lincoln

Prepared by: ⁽³⁾ James Van Bruggen Date Prepared: ⁽⁴⁾ 4/6/21 Phone: ⁽⁵⁾ 402-441-8301

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

No Fiscal Impact.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

Please complete ALL (5) blanks in the first three lines.

2021

LB⁽¹⁾ 131, AM751

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ City of Grand Island

Prepared by: ⁽³⁾ Jerry Janulewicz Date Prepared: ⁽⁴⁾ 3/31/21 Phone: ⁽⁵⁾ (308) 385-5390

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2021-22</u>		<u>FY 2022-23</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The City of Grand Island does not own or operate a natural gas plant or natural gas system and has updated its building codes to include those listed in the bill. Thus, AM751 to LB 131 does not appear to impact the City of Grand Island.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2021-22</u>	<u>2022-23</u>
	<u>21-22</u>	<u>22-23</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____