PREPARED BY: DATE PREPARED: PHONE: Austin Ligenza January 08, 2021 (402)471-0050

LB 25

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	21-22	FY 2022-23				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

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

LB 25 amends provisions of the Community Development Law. The bill provides for a process for an authority to prepare a redevelopment plan that divides ad valorem taxes for 20 years if more than 50% of the redevelopment project area is in an extremely blighted area. The maximum term for all other redevelopment plans is 15 years. The bill specifies public hearing and notice provisions related to determining if the property is extremely blighted for purposes of the redevelopment plan.

The passing of Amendment 2 on the 2020 Nebraska General Election Ballot changed Article VIII, section 12 of the Nebraska Constitution, allowing for the division of taxes beyond 15 years.

There is no fiscal impact to the state due to LB 25, as this bill pertains to city redevelopment projects.

The impact to political subdivisions is unclear. LB 25 would require cities to amortize tax-increment financing projects in extremely blighted areas over 20 years instead of 15 years. This would delay the property tax revenues generated by the TIF projects for extremely blighted areas by five extra years.

LB 25 contains the emergency clause, and will go into effect immediately if passed.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 25 AM:	AGENCY/POLT. SUB: Department of	Revenue				
REVIEWED BY: Jacob Leaver	DATE: 1/21/20	021 PHONE: (402) 471-4173				
COMMENTS: No basis to disagree with the Department of Revenue's estimate that no fiscal to the agency will result from LB 25.						

	ADMINISTR	ATIVE SERVICES	TATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB:	25	AM:	AGENCY/POLT. SUB: City of Omaha			
RE\	/IEWED BY:	Jacob Leaver	DATE: 1/22/2021 PHONE: (402) 471-4173			
COI	COMMENTS: No basis to disagree with the City of Omaha's estimate of no fiscal impact to the city as a result of LB 25.					

LB 0025 Fiscal Note 2021

State Agency Estimate						
State Agency Name: Department	of Revenue				Date Due LFO:	
Approved by: Tony Fulton		Date Prepared:	1/21/2021		Phone: 471-5896	
	FY 2021	1-2022	FY 2022	2-2023	FY 2023	3-2024
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		\$ 0		\$ 0		\$ 0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		\$ 0		\$ 0		\$ 0

LB 25 amends the Community Development Laws to change the period for dividing ad valorem taxes.

Section 2 amends and harmonizes Neb. Rev. Stat. § 18-2147 to allow for ad valorem taxes to be divided for up to 20 years for a redevelopment plan for property that more than 50% of which has been declared an extremely blighted area pursuant to the bill. The time period during which ad valorem taxes may be divided cannot exceed 20 years from the effective date of the plan as identified in the project redevelopment contract or in the resolution of authority authorizing the issuance of bonds.

Section 1 amends Neb. Rev. Stat. § 18-2101.02 to require that the governing body of a city that intends to prepare a redevelopment plan that will divide ad valorem taxes for more than 15 years, but no more than 20 years, under Neb. Rev. Stat. § 18-2147 as it is amended by the bill, to first declare the redevelopment area to be an extremely blighted area by resolution after public hearing.

LB 25 carries an emergency clause.

It is estimated that LB 25 will have no impact on the General Fund.

It is estimated that there will be minimal cost to DOR to implement this bill.

Major Objects of Expenditure							
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures
Danasta							
Operating Costs	Benefits						
Travel							
Capital Improvemen	Capital Outlay						
Total	Total						

LB ⁽¹⁾ 25				FISCAL NOTE
State Agency OR Political Subdivision Name: (2)	City of Omaha			
Prepared by: (3) Tyler Leimer	Date Prepared: (4)	1/22/2021	Phone: (5)	(402) 444-4514
ESTIMATE PROVI	DED BY STATE AGENO	CY OR POLITICAL	<u>SUBDIVISIO</u>	N
FY	2021-22		FY 2022-	.09
EXPENDITURES		EXPENDITU		<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS	-			
		<u> </u>		
TOTAL FUNDS	=	-		
RRFAKDOV	WN BY MAJOR OBJECT	S OF EXPENDITU	R F	
Personal Services:	WN BT WAJOR OBJECT	S OF EXIENDITO	<u>KE</u>	
POSITION TITLE -	NUMBER OF POSITIONS 21-22 22-23	5 2021-22 EXPENDIT		2022-23 EXPENDITURES
Benefits		-	,	
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

LB (1) _ 25			FISCAL NOTE
State Agency OR Political Subdivision Name: (2)	City of Lincoln		
Prepared by: (3) James Van Bruggen	Date Prepared: (4) 1/2	22/21 Phone: (5	402-441-8301
ESTIMATE PROV	IDED BY STATE AGENCY (OR POLITICAL SUBDIVISI	ON
<u>EXPENDITURE</u>	<u>Y 2021-22</u> ES <u>REVENUE</u>	FY 202 EXPENDITURES	<u>2-23</u> <u>REVENUE</u>
GENERAL FUNDS	_		
CASH FUNDS			
FEDERAL FUNDS			
OTHER FUNDS			
TOTAL FUNDS	_		
Explanation of Estimate:			
No fiscal impact.			
Personal Services:	OWN BY MAJOR OBJECTS O	<u>F EXPENDITURE</u>	
	NUMBER OF POSITIONS 21-22 22-23	2021-22 EXPENDITURES	2022-23 EXPENDITURES
Benefits			
Operating			
Travel			
Capital outlay			
Aid			
Capital improvements			