

Revised to correct error to narrative.

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2021-22		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 allow cities to amortize tax-increment financing projects in extremely blighted areas over 20 years instead of 15 years. This could 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: 1/21/2021	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.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 25	AM:	AGENCY/POLT. SUB: City of Omaha	
REVIEWED BY: Jacob Leaver	DATE: 1/22/2021	PHONE: (402) 471-4173	
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.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 25	AM:	AGENCY/POLT. SUB: City of Lincoln	
REVIEWED BY: Jacob Leaver	DATE: 1/25/2021	PHONE: (402) 471-4173	
COMMENTS: No basis to disagree with the City of Lincoln's estimate of no fiscal impact to the city as a result of LB 25.			

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

2021

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 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: Fiscal impact of LB 25 cannot be calculated. LB 25 sets to increase the period of time a TIF project can generate excess taxes by up to five years for areas that are deemed “extremely blighted.” In scenarios where the City of Omaha would have some of these projects, it would defray property taxes received from 15 to 20 years.

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⁾ 25

FISCAL NOTE

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

Prepared by: ⁽³⁾ James Van Bruggen Date Prepared: ⁽⁴⁾ 1/22/21 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.....	_____	_____	_____	_____