

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

Revised to reflect AM739 and AM1600.

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b>				
	<b>FY 2022-23</b>		<b>FY 2023-24</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS	See below	See below	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 450 would create the Nebraska Innovation Hub Act to be administered by the Nebraska Department of Economic Development and establish the Innovation Hub Cash Fund. The act would allow for the Department to designate applicants as "iHubs". AM739 removes NDED's duties to oversee, coordinate, and provide assistance to each iHub. The Department's responsibilities are setting guidelines for approval, designation, operation, reporting, and re-designation of iHubs.

AM739 and AM1600 enumerate eligible partners for iHubs and sets requirements to be designated.

AM739 removes most administrative costs associated with oversight and administration of iHubs, in addition to costs in supporting iHubs through education and coordination of assets. AM739 establishes the Innovation Hub Cash Fund within the Department wherein applicants pay a \$1,000 fee which is remitted to the Innovation Hub Cash Fund. Funds may be used for administering the iHub Program.

The application period is November 1, 2022 to June 1, 2023. NDED must approve or deny applications by July 1, 2023. A designation is not to exceed five years with no limit as to re-designation.

It is reasonable that there would be costs with administering the applications and designating iHubs, however that cost is likely to be minimal and would be accommodated by the accompanying cash fund. As there are 11 Enterprise Zones revenues could be up to \$11,000, however as demand is unknown the cash fund revenue in any given year is indeterminable.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 450	AM: 1600	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Patrick Redmond	DATE: 2/1/2022	PHONE: (402) 471-4181	
COMMENTS: No basis to disagree with the Department of Economic Development assessment of minimal fiscal impact from LB 450 as amended by AM 1600.			

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

**2022**

**LB<sup>(1)</sup> 450 AM1600**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Economic Development

Prepared by: <sup>(3)</sup> Dave Dearmont Date Prepared: <sup>(4)</sup> 1/31/2022 Phone: <sup>(5)</sup> 402-471-3777

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<u>FY 2022-23</u>		<u>FY 2023-24</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:**

AM1600 amends the Committee Amendment, AM739, to LB450 which adopts the Nebraska Innovation Hub Act.

Pursuant to the Amendment, a private nonprofit corporation can apply to DED to be designated as an iHub. To be considered, a private nonprofit organization must form a collaborative relationship with at least three iHub partners and remit a \$1,000 application fee to DED. The application period is November 1, 2022 through June 1, 2023, and DED must determine whether to approve the designation by July 1, 2023. If approved, DED and the iHub will enter into an MOU, wherein DED will set guidelines for the operation and reporting of iHubs. Each iHub will be designated for five years. AM1600 also creates the Innovation Hub Cash Fund and gives DED the ability to adopt and promulgate rules and regulations to carry out the Act.

It is unknown how many iHub applications would be received. LB450, as amended by AM 1600, would reduce DED's administrative responsibilities for the act, and can be carried out within existing resources and staff.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2022-23</u>	<u>2023-24</u>
	<u>22-23</u>	<u>23-24</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____