

PREPARED BY: Shelly Glaser  
 DATE PREPARED: April 09, 2024  
 PHONE: 402-471-0052

**LB 600**

Revision: 03

Revised to reflect AM3445.

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	\$5,000,000			
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$5,000,000			

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

AM3445 amends LB600 as amended by AM2145 and AM2149, by lowering the one-time transfer amount from the Cash Reserve Fund to the Municipality Infrastructure Aid Fund from \$10,000,000 to \$5,000,000. This transfer will still occur on or after July 1, 2024, and before July 15, 2024. This bill contains an emergency clause.

Expenditures:

AM3445, should not change the estimated operating, contracting, nor staffing costs of this aid program to the Nebraska Department of Economic Development (DED). It would change the amount of cash fund aid available for awarding to grantees.

This amendment will not change the anticipated minimal or lack of fiscal impact to both the Nebraska Department of Transportation (NDOT) and the Nebraska Department of Environment and Energy (NDEE).

Revenues:

AM3445 to LB600, includes a one-time transfer of \$5,000,000 from the Cash Reserve Fund to the Municipality Infrastructure Aid Fund, to the DED.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 600	AM: 2145	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Neil Sullivan		DATE: 1/30/2024	PHONE: (402) 471-4179
COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 600 as amended by AM 2145 appears reasonable. Expenditure should be shown under cash funds with positive cash funds revenue in FY24 from the Cash Reserve Fund transfer that occurs as soon as administratively possible.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 600	AM: 2145	AGENCY/POLT. SUB: Department of Environment & Energy	
REVIEWED BY: Neil Sullivan		DATE: 1/30/2024	PHONE: (402) 471-4179
COMMENTS: The Department of Environment & Energy assessment of no fiscal impact from LB 1113 as amended by AM 2145 appears reasonable.			

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

2024

LB<sup>(1)</sup> LB600 AM2145 & AM2149

FISCAL NOTE

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

Prepared by: <sup>(3)</sup> Dave Dearthont Date Prepared: <sup>(4)</sup> 1/27/2024 Phone: <sup>(5)</sup> 402-471-3777

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

	FY 2024-25		FY 2025-26	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>\$2,500,000</u>	<u>                    </u>	<u>\$7,500,000</u>	<u>                    </u>
CASH FUNDS	<u>                    </u>	<u>(\$10,000,000)</u>	<u>                    </u>	<u>                    </u>
FEDERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
OTHER FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL FUNDS	<u><u>\$2,500,000</u></u>	<u><u>(\$10,000,000)</u></u>	<u><u>\$7,500,000</u></u>	<u><u>                    </u></u>

Explanation of Estimate:

LB600 as amended by AM2145 and AM2149 would adopt the Municipality Infrastructure Aid Act to provide grants to cities of the first and second classes and villages with redevelopment plans approved under the Community Development Law to pay for infrastructure projects.

Beginning July 1, 2024, LB600 as amended would allow eligible cities to apply to DED for a grant to help support infrastructure improvements that are part of an approved redevelopment plan. The city or village would be required to provide a match equaling at least 25% of the amount of the grant for water systems, sewer systems, roads, bridges and “other site development activities.” The maximum grant is \$5 million. The application would need to provide information to show how infrastructure improvements would attract and support new businesses or business expansions, and how this activity would create new, high-quality jobs, increase business investment, and revitalize rural and other distressed areas of the state.

The bill as amended, would create a new cash fund, the “Municipality Infrastructure Aid Fund” administered by DED, for purposes of carrying out the Municipality Infrastructure Aid Act, and contains language to transfer \$10 million from the Cash Reserve Fund to the new cash fund to carry out the act. For purposes of this fiscal note, we assume that the transfer would be made on or after 7/1/2024, and further assume that the bill would also appropriate funds for DED’s use. DED assumes that 25% of the funds would be distributed in FY2024-25 and 75% in FY2025-26.

The provisions of the bill as amended will require the services of 1.0 FTE Economic Development Manager, 0.5 FTE Economic Development Business Consultant II to help manage the grants, and 0.5 Accountant III to disburse grant funds. Operating costs include \$34,100 for grant management software and licenses and 5,310 for leased office space, annually. Given that LB600 as amended requires that applications be opened on 7/1/2024, DED expects to have a one-time cost of \$25,000 for contracting to have the application created in the grant management system.

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**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

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**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
G49550 Econ Dev Manager	1.00	1.00	\$72,640	\$72,640
A49012 Econ Dev Bus Consultant II	0.50	0.50	34,240	34,240
A19013 Accountant III	0.50	0.50	37,190	37,190
Total	2.00	2.00	\$144,060	\$144,060
Benefits.....			50,420	50,420
Operating.....			79,770	78,260
Travel.....			14,410	15,130
Capital outlay.....			17,200	0
Aid.....			2,194,180	7,202,410
Capital improvements.....				
TOTAL.....			\$2,500,000	\$7,500,000

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**2024**

**LB<sup>(1)</sup> 600 AM2145 & AM2149**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Jenessa Boynton Date Prepared: <sup>(4)</sup> 1/26/2024 Phone: <sup>(5)</sup> 402-479-4691

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

	<u>FY 2024-25</u>		<u>FY 2025-26</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
<b>TOTAL FUNDS</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**Explanation of Estimate:**

LB 600 as amended by AM2145 creates an act in which Sections 1 to 8 is cited as the Municipality Infrastructure Aid Act. The sections of the act create the Municipality Aid Program which shall be administered by Department of Economic Development and defines the purpose of the program to finance infrastructure improvements in cities of the first class, cities of the second class, and villages. Eligible grantees may apply for grant to the Department of Economic Development beginning July 1, 2024 as amended by AM2149. The Department of Economic Development may consult with statewide associations representing municipal officials, economic developers, the Department of Transportation, and the Department of Environment and Energy. To carry out the act a transfer of ten million dollars from the cash reserve to the Municipality Infrastructure Aid Fund will occur as soon as administratively possible after the effective date of the act.

If LB 600 AM2145 and AM2149 are enacted, the fiscal impact to Nebraska Department of Transportation is anticipated to be minimal.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2024-25</u>	<u>2025-26</u>
	<u>24-25</u>	<u>25-26</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>	<b>_____</b>