

Revised per AM2382

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	\$1,596,870	\$404,000	\$141,870	\$463,000
CASH FUNDS			\$400,000	\$1,450,000
FEDERAL FUNDS				
OTHER FUNDS	\$25,778		\$25,778	
TOTAL FUNDS	\$1,622,648	\$404,000	\$567,648	\$1,913,000

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

LB 685 was amended by AM2382 on General File. AM2382 contains a modified version of LB 685 and the original version of LB 836. The details of AM2382 are discussed below.

Incorporates Provisions of LB 685 with Modifications

This aspect of the amendment would make changes to the Mechanical Amusement Device Tax Act (Act).

The terms Manufacturer and Net Operating Revenue would be added to the Act and defined.

This aspect of the amendment would add to the Act that, except for an applicant that holds a liquor license under the Nebraska Liquor Control Act, an applicant for a license as an operator or distributor of a cash device would be subject to a one-time background check by the Department of Revenue (DOR) prior to the issuance of a license. Manufacturers of cash devices would also need to procure an annual license and would be subject to a one-time background check by the DOR prior to the issuance of a license. An applicant would pay the costs associated with the background check along with any required fees as determined by the DOR. The Tax Commissioner would have the authority to deny any application for a license for cause and those instances of cause for denial are specified. Beginning January 1, 2025, the annual license for a distributor of a cash device would be accompanied by a fee of \$100 per device up to a maximum of \$5,000. The license fee for a manufacturer of a cash device would be \$5,000.

This aspect of the amendment would add that, in addition to seizure, any person placing in service or operating a cash device constituting an illegal game of chance or an unlicensed cash device of any kind within this state would be subject to a penalty of up to \$1,000 for each day of such operation.

This aspect of the amendment would add that in order to be eligible to operate cash devices, an owner or operator other than a fraternal organization would need to generate at least 60% of the gross operating revenue of the retail establishment from sources other than the total gross operating revenue of any cash devices located within the retail establishment. The number of cash devices permitted at any retail establishment could not exceed the lesser of either:

- Except for a fraternal organization, the number of cash devices it takes to generate 40% of the gross operating revenue of the retail establishment; or
- Four cash devices, except that an establishment with over 4,000 square feet could have one cash device for each 1,000, up to a maximum of 15 cash devices.

This aspect of the amendment would change the age to play or participate in any way in the operation of a cash device from 19 to 21 years of age.

This aspect of the amendment would also add that no political subdivision of the State of Nebraska could levy or impose any tax on mechanical amusement devices in addition to the taxes imposed by the Act.

The DOR would have the authority to review all documents between a distributor, manufacturer, and operator regarding a cash device. The DOR would have the authority to approve all cash device locations across the state. No cash device could be moved from such cash device's approved location without the prior approval of the DOR. The DOR would establish retail establishment location standards required for the placement of any cash device in the state and factors the DOR must consider for the issuance of a license to operate a cash device at a particular retail establishment location are detailed.

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Under this aspect of the amendment, each distributor of a cash device would pay taxes owed quarterly of each calendar year. The taxes required to be paid would include income tax, occupation tax, and net operating revenue tax. Each operator of a cash device would pay income taxes on income generated by such cash device quarterly each calendar year. Each operator of a cash device would provide an Internal Revenue Service Form 1099 to each player that wins a prize in excess of \$1,199 from a cash device in such operator's retail establishment. The DOR would make the form available to all operators on the DOR's website. A distributor or manufacturer located outside the State of Nebraska would pay income taxes in Nebraska on all income earned in Nebraska.

This aspect of the amendment would add penalties of up to \$1,000 per day and forfeiture and sale regarding cash devices.

This aspect of the amendment would require the Tax Commissioner to establish a central server for purposes of receiving data and accurate revenue and income reporting from cash devices across the state. The server would need to be in place and operational within one year after the effective date of this bill.

Under this aspect of the amendment, beginning on and after July 1, 2025, any operator of a cash device within the state other than a fraternal organization would pay a tax for each cash device operated each calendar quarter during the taxable year. The tax would be 5% of the net operating revenue for each cash device. The operator would submit the quarterly tax on a form prescribed by the Tax Commissioner documenting the total gross and net operating revenue for that quarter. The Tax Commissioner would remit the taxes to the State Treasurer for credit as follows:

- 20% to the Charitable Gaming Operations Fund for enforcement of the Act and maintenance of the central server
- 2.5% to the Compulsive Gamblers Assistance Fund
- 2.5% to the General Fund
- 10% to the Nebraska Tourism Commission Promotional Cash Fund
- 40% to the Property Tax Credit Cash Fund
- 25% to the county treasurer of the county in which the cash device is located to be distributed as follows-
 - If the cash device is located completely within an unincorporated area of a county, all 25% would be distributed to the county in which the cash device is located; or
 - If the cash device is located within the limits of a city or village in such county, half of the 25% would be distributed to such county and half of the 25% would be distributed to the city or village in which such cash device is located.

Incorporate Provisions of LB 836

This aspect of the amendment would add requirements under the Nebraska Liquor Control Act for retail licensees connected to co-branded alcoholic beverages. Co-branded alcoholic beverage would mean, "an alcoholic liquor beverage containing the same or similar brand name, logo, or packing as a nonalcoholic beverage."

This aspect of the amendment would add a requirement for co-branded alcoholic beverages in a retail sales floor that is larger than 2,500 square feet. The holder of a retail license for alcoholic liquor, beer, or wine at retail for consumption off the licensed premises in this case would not be allowed to display any co-branded alcoholic beverage immediately adjacent to any soft drink, fruit juice, bottled water, candy, or snack food portraying cartoons or youth-oriented images.

This aspect of the amendment would also add a requirement for co-branded alcoholic beverages in a retail sales floor that is 2,500 square feet or smaller. In this case, the holder of a retail license for alcoholic liquor, beer, or wine at retail for consumption off the licensed premises would either not be allowed to place any co-branded alcoholic beverage immediately adjacent to any soft drink, fruit juice, bottled water, candy, or snack food portraying cartoons or youth-oriented images or would need to equip displays containing any co-branded alcoholic beverage immediately adjacent to any soft drink, fruit juice, bottled water, candy, or snack food portraying cartoons or youth-oriented images with signage that would indicate the product is an alcoholic beverage.

This aspect of the amendment states exceptions regarding when these added requirements would apply.

The Nebraska Liquor Control Commission (NLCC) could cause inspection to be made on the premises of all retail licensees relating to co-branded alcoholic beverage displays and violations could result in the license being suspended, canceled, or revoked.

The operative date for this bill is three months after adjournment.

We estimate the following increases to the General Fund and Cash Funds as a result of this bill:

	FY 24-25	FY 25-26	FY 26-27
Charitable Gaming Operations Fund		\$ 400,000	\$ 546,000
Compulsive Gamblers Assistance Fund	\$ -	\$ 50,000	\$ 68,000
General Fund	\$ 404,000	\$ 463,000	\$ 490,000
Nebraska Tourism Commission Promotional Cash Fund	\$ -	\$ 200,000	\$ 273,000
Property Tax Credit Cash Fund	\$ -	\$ 800,000	\$ 1,093,000
County/City/Village	\$ -	\$ 500,000	\$ 683,000

The above estimates agree with the estimates of the Department of Revenue (DOR), except that the fees added as a result of this bill were estimated by our office to go into the General Fund based upon the how the bill is written. The DOR estimated that these fees would go into the Charitable Gaming Operations Fund and the Revenue Enforcement Fund.

The DOR estimates a need for the following personnel as a result of the bill: Revenue Agent, 2.0 FTE Revenue Investigator, Revenue Tax Specialist, Fiscal Compliance Analyst, Revenue Auditor I, and an Information Technology Business Systems Analyst. DOR also estimates costs to lease 3 mid-size sedans from the Transportation Service Bureau for a total cost of \$37,770 each year as well as \$1 million in the first year and an unknown cost in subsequent years to contract for the required central server under the bill. We estimate these costs to be paid by General Funds in FY25 and in subsequent years to be paid by Cash Funds from the revenue of the 5% tax under this bill received into the Charitable Gaming Operations Fund with any remaining expenditures to be paid through General Funds.

The DOR does not assume any salary or benefits increases for FY25-26 and FY26-27 for the additional personnel needed pursuant to this bill's provisions. While the actual salary and health insurance increases for FY25-26 and thereafter are not yet determined, it is important to note that any additional personnel in FY24-25 will have ongoing rising costs associated with salary and health insurance increases, which are normally addressed in the biennial budget process for all bargaining and non-bargaining employees.

The Department of Administrative Services-Transportation Services Bureau estimates a need for \$25,778 each year in Revolving Fund appropriation for purchase and mileage of the three vehicles needed by the DOR. There is no basis to disagree with this estimate.

The NLCC estimates no fiscal impact as a result of this bill. There is no basis to disagree with this estimate.

The State Treasurer's Office estimates no fiscal impact to it as a result of the bill. There is no basis to disagree with this estimate.

Under the bill, no political subdivision of the State of Nebraska could levy or impose any tax on mechanical amusement devices in addition to the taxes imposed by the Act. However, counties/cities/villages are estimated to receive funds (see table above) in the amount of 25% of the net operating revenue tax under the Act.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 685	AM: 2382	AGENCY/POLT. SUB: State Treasurer	
REVIEWED BY:	Jacob Leaver	DATE: 2/13/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the State Treasurer's estimate of no fiscal impact to the agency as a result of LB 685 AM 2382.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 685	AM: 2382	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY:	Jacob Leaver	DATE: 2/27/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Department of Revenue's estimated fiscal impact to the agency as a result of LB 685 AM 2382.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 685	AM: 2382	AGENCY/POLT. SUB: Liquor Control Commission	
REVIEWED BY:	Jacob Leaver	DATE: 2/13/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Liquor Control Commission's estimate of no fiscal impact to the agency as a result of LB 685 AM 2382.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 685	AM: 2382	AGENCY/POLT. SUB: Nebraska Tourism Commission	
REVIEWED BY:	Jacob Leaver	DATE: 2/13/2024	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Nebraska Tourism Commission's estimate of indeterminable fiscal impact as a result of LB 685 AM 2382.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 685	AM: 2382	AGENCY/POLT. SUB: Department of Administrative Services – Transportation Services	
REVIEWED BY:	Jacob Leaver	DATE: 2/27/2024	PHONE: (402) 471-4173
COMMENTS: Concur with the Department of Administrative Services – Transportation Services estimated fiscal impact to the agency as a result of LB 685 AM 2382.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 685	AM: 2382	AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY:	Jacob Leaver	DATE: 2/13/2024	PHONE: (402) 471-4173
COMMENTS: No basis to dispute the Lancaster County's estimate of indeterminable fiscal impact as a result of LB 685 AM 2382.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 685	AM: 2382	AGENCY/POLT. SUB: Nebraska Association of County Officials	
REVIEWED BY:	Jacob Leaver	DATE: 2/14/2024	PHONE: (402) 471-4173
COMMENTS: The Nebraska Association of County Officials' estimated fiscal impact appears reasonable.			

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2024

LB⁽¹⁾ 685 AM 2382

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Department of Administrative Services – Transportation Services Bureau

Prepared by: ⁽³⁾ Mike Moerer Date Prepared: ⁽⁴⁾ 2/22/2024 Phone: ⁽⁵⁾ 402-471-2897

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	_____	_____	_____	_____
REVOLVING FUNDS	\$25,778	_____	\$25,778	_____
TOTAL FUNDS	<u>\$25,778</u>	_____	<u>\$25,778</u>	_____

Explanation of Estimate:

LB 685, as amended by AM 2382, will require enforcement of new provisions for cash devices by the Department of Revenue (DOR). DOR estimates three new leased vehicles will be necessary for this enforcement. In order to meet this need, the Department of Administrative Services – Transportation Services Bureau (DAS-TSB) will require \$13,178 each fiscal year in additional revolving fund appropriation to purchase the three new vehicles using the master lease program.

The current state contract for a 2024 compact sedan is \$21,963.

\$21,963 cost per vehicle x 3 vehicles = \$65,889.

\$65,889 / 60 monthly payments = \$1,098 per month or \$13,178 each fiscal year.

The DAS-TSB program would also need additional revolving fund appropriation of \$12,600 each fiscal year for the operational costs of the three new vehicles – fuel, repairs, insurance, etc.

Three vehicles at the 1,000 miles per month average = 36,000 miles per year for the three additional vehicles (1,000 miles x12 months = 12,000 miles x 3 vehicles = 36,000 miles)

36,000 miles x \$0.35 (current mileage rate) = \$12,600.

The Department of Revenue will be billed monthly for the cost to the lease and for actual miles driven.

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.....			\$12,600	\$12,600
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....			\$13,178	\$13,178
TOTAL.....			\$25,778	\$25,778

State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:			
Approved by: James R. Kamm				Date Prepared: 02/26/2024		Phone: 471-5896	
	FY 2024-2025		FY 2025-2026		FY 2026-2027		
	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	
General Funds	\$1,596,870	\$0	\$541,870	\$50,000	\$541,870	\$68,000	
Cash Funds		\$404,000		\$1,863,000		\$2,402,000	
Federal Funds							
Other Funds		\$0		\$500,000		\$683,000	
Total Funds	\$1,596,870	\$404,000	\$541,870	\$2,413,000	\$541,870	\$3,153,000	

LB 685 amends multiple statutes primarily related to the Mechanical Amusement Device Tax Act but also has modifications to specific liquor sales.

LB 685 amends §9-1,101 to state that taxes collected by the Department of Revenue (DOR) in relation to cash devices shall be used by the Charitable Gaming Division for enforcement of the Act and to maintain the central server. It also modifies definition in the MAD Act including adding a definition for manufacturer and net operating revenue.

LB 685 requires distributors licensure to complete a one-time comprehensive background at their expense, unless the operator has already obtained a liquor license. It also establishes situations and offenses which would be grounds for denying a license. DOR may also seek suspension/revocation against distributors for violations of the Act. The fee for distributor license is \$100 per device up to a maximum of \$5,000. It also requires manufacturers of cash devices to obtain a license and to undergo check. The section details the reasons for denial of a license. The fee for the license is \$5,000. DOR may also seek suspension/revocation against manufacturers for violations of the Act.

LB 685 modifies penalty language stating the DOR may penalize “up to” \$1,000 per day for violations as well as seek suspension and revocation against licensees for violations. Implements a requirement that an operator generate at least 60% of its gross operating revenue from sources other than the cash devices. The requirement does not apply to fraternal organizations. The maximum number of devices remains at four devices unless it meets the space requirements set out. The location may be limited to fewer than four devices in order to be in compliance with the 60/40 requirement.

LB 685 increases the minimum age to play cash devices from 19 to 21 years old. The operator cannot charge a player a fee to cash out their winnings. DOR will adopt regulations to implement this section. The regulations may not restrict the advertisement of cash devices unless the advertising is “willfully conflating the cash device play with casino-style gambling or slot machine wagering.”

Major Objects of Expenditure

Class Code	Classification Title	24-25	25-26	26-27	24-25	25-26	26-27
		FTE	FTE	FTE	Expenditures	Expenditures	Expenditures
X29222	Revenue Agent	1.0	1.0	1.0	\$43,200	\$43,200	\$43,200
X62730	Revenue Investigator	2.0	2.0	2.0	\$116,100	\$116,100	\$116,100
A29621	Revenue Tax Specialist	1.0	1.0	1.0	\$62,100	\$62,100	\$62,100
A21211	Fiscal Compliance Analyst	1.0	1.0	1.0	\$47,200	\$47,200	\$47,200
A21251	Revenue Auditor I	1.0	1.0	1.0	\$50,800	\$50,800	\$50,800
A07081	Information Technology Business Systems Analyst	1.0	1.0	1.0	\$59,600	\$59,600	\$59,600
Benefits.....					\$125,100	\$125,100	\$125,100
Operating Costs.....					\$1,037,770	\$37,770	\$37,770
Travel.....							
Capital Outlay.....					\$55,000	\$0	\$0
Capital Improvements.....							
Total.....					\$1,596,870	\$541,870	\$541,870

DOR will have the authority to review documentation related to the relationships of operators, distributors, and manufacturers. Requires DOR to give approval before a device may be removed from a location. DOR will determine retail establishment standards. List factors which will be considered for licensing any location.

Section 14 of LB 685 requires the distributor to pay quarterly taxes filed January 1, April 1, June 1, and October 1. Section 17 has reporting dates of January 1, April 1, July 1, and October 1. The taxes to be filed quarterly are income, occupation, and net operating revenue tax. Distributors who are outside the state of Nebraska will pay income taxes on all income earned in the state of Nebraska. The operator shall pay taxes on the same schedule, but the only one required to be quarterly is income tax. Although the bill references income tax it does not amend the Nebraska Revenue Act. The bill establishes a 5% tax on net operating revenue to be reported quarterly. Operators will also provide IRS Forms 1099 to each winner of a prize in excess of \$1,199.

LB 685 AM 2382 increases the potential penalties up to \$1,000 per day for “unlicensed cash devices” and for any violation of the Act. Violations of the Act would be increase to a Class I misdemeanor.

LB 685 requires DOR to implement a central server. The server will record the following data: sales, transactions, prizes won and paid, duration of play or transactions, hours of operations, and any other requirements established by DOR through adoption of regulations. This server shall be operational within one year of the effective date of the bill.

A tax of 5% of the net operating revenue is implemented. Cash devices at fraternal organizations are exempt from this tax. The 5% collected will be distributed as follows:

- 20% Charitable Gaming Operations Fund for the enforcement of the Act and maintenance of the central server.
- 2.5% Compulsive Gamblers Assistance Fund
- 2.5% General Fund
- 10% Nebraska Tourism Commission Promotional Cash Fund
- 40% Property Tax Credit Cash Fund
- 25% To the county where the device is to be distributed as follows:
 - If the location (where the device was located) is completely within an unincorporated area, the full 25% to the county.
 - If the location is within the limits of a city or village, the city/village and the county will split the 25% equally.

It is estimated LB 685 AM 2382 would have the following impacts to various funds:

	FY 2024-25	FY2025-26	FY02026-27
Charitable Gaming Operations Fund	\$ 35,000	\$ 435,000	\$ 581,000
Compulsive Gamblers Assistance Fund	\$ -	\$ 50,000	\$ 68,000
General Fund	\$ -	\$ 50,000	\$ 68,000
Nebraska Tourism Commission Promotional Cash Fund	\$ -	\$ 200,000	\$ 273,000
Property Tax Credit Cash Fund	\$ -	\$ 800,000	\$ 1,093,000
Revenue Enforcement Fund	\$ 369,000	\$ 378,000	\$ 387,000
County	\$ -	\$ 500,000	\$ 683,000

LB 685 AM 2382 will require 1.0 FTE Revenue Agent, 2.0 FTE Revenue Investigators, 1.0 FTE Revenue Tax Specialist, 1.0 FTE Fiscal Compliance Analyst, 1.0 FTE Revenue Auditor I, and 1.0 FTE Information Technology Business Systems Analyst for implementation of the bill.

DOR will also need to lease three mid-size sedans from the Transportation Service Bureau (TSB) for a total cost of \$37,770 annually. Additionally, DOR will need to contract for the central server at an estimated cost of \$1 million in the first year and an unknown amount in subsequent years.

The operative date for this bill is three months after adjournment.

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2024

LB⁽¹⁾ 685, AM 2382

FISCAL NOTE

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

Prepared by: ⁽³⁾ Jason Walters Date Prepared: ⁽⁴⁾ Feb. 12, 2024 Phone: ⁽⁵⁾ 402-471-2793

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	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The State Treasurer's Office doesn't expect any fiscal impact from LB 685, AM 2382 to the office.

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.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2024

LB⁽¹⁾ 685 AM2382

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ County of Lancaster

Prepared by: ⁽³⁾ David Derbin, Chief Administrative Officer Date Prepared: ⁽⁴⁾ 2/12/2024 Phone: ⁽⁵⁾ 402-441-6865

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	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

The economic impacts of mechanical amusement in Lancaster County pursuant to LB685 AM2382 currently are unknown by Lancaster County, including but not limited to material data regarding the number of cash devices in Lancaster County and the net operating revenue of such devices. Therefore it is not possible to provide an estimate within this timeframe.

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.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2024

LB⁽¹⁾ LB685 AM2382

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Tourism Commission

Prepared by: ⁽³⁾ John Ricks Date Prepared: ⁽⁴⁾ 02/12/2024 Phone: ⁽⁵⁾ 402-471-1558

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	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: LB685 AM2382 includes verbiage referring to ten percent of taxes imposed under Section 17 be remit to the Nebraska Tourism Commission Promotional Cash Fund. The amount of revenue from this bill and amendment is unknown by the Tourism Commission.

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.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

2024

LB⁽¹⁾ 685 AM2382

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Liquor Control Commission

Prepared by: ⁽³⁾ Mark Davis Jr Date Prepared: ⁽⁴⁾ 2/9/2024 Phone: ⁽⁵⁾ 471-4804

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	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
CASH FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FEDERAL FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FUNDS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FUNDS	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>

Explanation of Estimate:

No Fiscal Impact

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.....				
TOTAL.....				

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

2024

LB⁽¹⁾ 685, AM2382

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Association of County Officials (NACO)

Prepared by: ⁽³⁾ Elaine Menzel Date Prepared: ⁽⁴⁾ 2/13/2024 Phone: ⁽⁵⁾ 402.434.5660

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	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB 685, AM2382 replaces the bill. The amendment reiterates that no political subdivisions, such as counties, shall levy or impose any tax on mechanical amusement devices in addition to the taxes imposed by the Mechanical Amusement Device Tax Act.

Twenty-five percent of taxes imposed for the net operating revenue for each cash device shall be transmitted to the county treasurer for distribution as follows: (i) If the cash device is located completely within an unincorporated area of a county, the remaining twenty-five percent shall be distributed to the county in which the cash device is located, or (ii) if the cash device is located within the limits of a city or village in such county, one-half of the remaining twenty-five percent shall be distributed to such county and one-half of the remaining twenty-five percent shall be distributed to the city or village in which such cash device is located.

Based on the initial fiscal note, in FY2023/24, \$0; in FY2024/25, \$2.250,000 and FY2025/26, \$2,363,000, is expected to be collected for county/municipal funds.

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.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____