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**LB 1068**

Revision: 00

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2010-11		FY 2011-12	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
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

\*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 1068 would establish the Rural Tourism Development Program in the Department of Economic Development (DED.) The program would provide loans to small tourism businesses in counties of not more than 100,000 residents. The Rural Development Tourism Fund would be created to fund loans, except that 5% of the fund could be used to pay administrative costs. Revenue for the Rural Development Tourism Fund would come from a \$500,000 transfer from the Local Civic, Cultural and Convention Center Financing Fund.

The transfer from the Local Civic, Cultural and Convention Center Financing Fund to the Rural Development Tourism would alter how cash funds are used in DED, but would not impact overall agency expenditures. Assuming a \$500,000 balance in the Rural Development Tourism Fund, \$25,000 would be available for administrative costs. If the balance of the fund dropped due to loans paid out and still outstanding, funding available for administrative costs would be lower. DED estimates \$38,000 to \$41,000 to hire a half-time position to administer the program. Assuming that this program would be housed within the Tourism Division of DED, the variance between the administrative funding costs allowable from the Rural Development Tourism Fund and DED's cost estimate could be made up by using the State Visitors Promotion Cash Fund.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	DATE	2/2/10	PHONE	471-2526
COMMENTS					
DEPT. OF ECONOMIC DEVELOPMENT – No basis to disagree with estimate of impact.					