

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2018-19</b>		<b>FY 2019-20</b>	
	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 1067 would amend the Business Improvement District Act to add tourism project construction, renovation or rehabilitation and tourist attraction promotion and marketing as an authorized activity under the Act. A special tourism surcharge would also be authorized under Section 19-4018. Any future impact on municipalities as a result of LB 1067 would be based upon future project development and funding requirements and cannot be estimated at this time.

There would be no fiscal impact to state agencies.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1067	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 2/2/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>	
COMMENTS: No basis to disagree with the Department of Revenue estimate of minimal fiscal impact from LB 1067.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1067	AM:	AGENCY/POLT. SUB: Nebraska Tourism Commission	
REVIEWED BY: Neil Sullivan	DATE: 1/23/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>	
COMMENTS: No basis to disagree with the Nebraska Tourism Commission estimate of no fiscal impact from LB 1067.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 1067	AM:	AGENCY/POLT. SUB: University of Nebraska	
REVIEWED BY: Neil Sullivan	DATE: 1/30/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>	
COMMENTS: No basis to disagree with the University of Nebraska estimate of indeterminate fiscal impact from LB 1067.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1067	AM:	AGENCY/POLT. SUB: City of Imperial
REVIEWED BY: Neil Sullivan	DATE: 1/23/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>
COMMENTS: No basis to disagree with the City of Imperial estimate of no current fiscal impact from LB 1067. Concur that there is potential for future fiscal impact.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1067	AM:	AGENCY/POLT. SUB: City of Lincoln
REVIEWED BY: Neil Sullivan	DATE: 1/26/2018	PHONE: <a href="tel:4024714179">(402) 471-4179</a>
COMMENTS: No basis to disagree with the City of Lincoln estimate of no current fiscal impact from LB 1067. There is potential for future fiscal impact.		

**State Agency Estimate**

State Agency Name: Department of Revenue		Date Due LFA: 02/2/2018			
Approved by: Tony Fulton		Phone: 471-5896			
Date Prepared: 01/31/2018					
<u>FY 2018-2019</u>		<u>FY 2019-2020</u>		<u>FY 2020-2021</u>	
<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>	<u>Expenditures</u>	<u>Revenue</u>
General Funds	Minimal		Minimal		Minimal
Cash Funds					
Federal Funds					
Other Funds					
Total Funds	Minimal		Minimal		Minimal

LB 1067 would amend 17 sections of the Business Improvement District Act to authorize a special tourism surcharge on the products or services of the tourism industry to fund projects involving tourism marketing and tourist attractions.

Section 1 incorporates the new Section 16 into the Business Improvement District Act. The new section 16 allows a city to levy a special tourism surcharge on the products and services of the tourism industry operating within a business improvement district. The tourism surcharge can only be used to aid in tourism promotion and marketing or constructing, renovating, or rehabilitating tourist attractions. The city must give notice of any hearing to tourism industry operators within the district. The city is responsible for enforcing and collecting the surcharge. If the business improvement district overlaps with a Riverfront Development District, the surcharge does not apply in the overlapping area.

Section 2 authorizes cities to form business improvement districts to promote the tourism industry.

Section 3 alphabetizes the definitions and defines tourism promotion, tourist attractions, and tourism industry. Tourism industry is defined with a cross reference to Neb. Rev. Stat. § 81-3709.01 as a person or entity that promotes an activity or event including “a chamber of commerce, a convention and visitors bureau, the hospitality industry, the food and beverage industry, the hotel industry, a passenger transportation provider, any business or organization engaged in recreational, historical, cultural, artistic, or entertainment pursuits, and any person who owns or operates any such activity, event, or site.”

Section 4 also authorizes the special tourism surcharge on any products or services, but omits the restriction to the tourism industry. Most references in the bill clarify that it is products or services of the tourism industry. The surcharge must be used for tourism promotion or marketing or tourist attractions. References to the tourism surcharge in sections 11 & 14 speak only of tourism promotion or marketing.

Section 5 allows a business improvement district to aid in tourism promotion or marketing and constructing, renovating, or rehabilitating tourist attractions.

Sections 6 and 7 allow the areas of a business improvement district created for tourism marketing or attractions to be noncontiguous.

Section 8 calls for a hearing to create a district upon a petition of businesses responsible for collecting 30% of the tourism surcharge.

Section 9 terminates a business improvement district if a protest is made from businesses that collect over 50% of the tourism surcharge.

Section 10 provides that if there is a hearing on creation of the district, the notice is to describe details about the surcharge and the planned use of the funds.

Section 11 provides that notice of the hearing must be sent to each owner of a business in the proposed district. The notice is to describe the promotional activities and the products and services to be subject to the tourism surcharge.

Section 12 allows a protest process for businesses responsible for collecting 30% of the tourism surcharge if a hearing is not held.

Section 13 allows the protest to be terminated if businesses responsible for collecting over 50% of the surcharge agree.

Section 14 allows the proposed boundaries to change after the hearing by ordinance.

Sections 15, 17, and 18 merely harmonize the remaining sections in the Act.

Section 19 repeals the original sections.

It is estimated that this bill will have minimal impact on General Fund revenues.

It is estimated that there will be no cost to the Department to implement this bill.

<b>Major Objects of Expenditure</b>							
<u>Class Code</u>	<u>Classification Title</u>	<u>18-19 FTE</u>	<u>19-20 FTE</u>	<u>20-21 FTE</u>	<u>18-19 Expenditures</u>	<u>19-20 Expenditures</u>	<u>20-21 Expenditures</u>
	Benefits.....						
	Operating Costs.....						
	Travel.....						
	Capital Outlay.....						
	Capital Improvements.....						
	<b>Total.....</b>						

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

**2018**

**LB<sup>(1)</sup> 1067**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Tourism Commission

Prepared by: <sup>(3)</sup> Bryce Arens Date Prepared: <sup>(4)</sup> 1/18/18 Phone: <sup>(5)</sup> 402-471-3796

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</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 on the Nebraska Tourism Commission.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</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.

**2018**

**LB<sup>(1)</sup> 1067**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Michael Justus Date Prepared: <sup>(4)</sup> January 26, 2018 Phone: <sup>(5)</sup> 402-472-2191

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

	<u>FY 2018-19</u>		<u>FY 2019-20</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:

The bill amends the Business Improvement District Act to authorize a special tourism surcharge, which may impact the University, but we are unable to make an estimate at this time.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</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>

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

2018

LB<sup>(1)</sup> 1067

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> City of Imperial

Prepared by: <sup>(3)</sup> Jo Leyland Date Prepared: <sup>(4)</sup> 01/18/2018 Phone: <sup>(5)</sup> 308-882-4368

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2018-19</u>		<u>FY 2019-20</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:

At present, our community does not have a Business Improvement District, so there would be no fiscal impact. In future, it could have an effect.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</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.

**2018**

**LB<sup>(1)</sup> 1067**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> City of Lincoln

Prepared by: <sup>(3)</sup> James Van Bruggen Date Prepared: <sup>(4)</sup> 1/25/18 Phone: <sup>(5)</sup> 402-441-8301

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

	<u>FY 2018-19</u>		<u>FY 2019-20</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>2018-19</u>	<u>2019-20</u>
	<u>18-19</u>	<u>19-20</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____