

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2019-20</b>		<b>FY 2020-21</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 736 prohibits cities, villages, and counties, beginning January 1, 2020, from:

- Imposing an occupation tax or license fee greater than \$25;
- Imposing an occupation tax or license fee on a profession or business the provides goods or services unless the profession or business was subject to such a tax or fee on January 1, 2020; and
- Imposing licensing requirements on professions or businesses subject to state licensing requirements.

This bill is not estimated to have a fiscal impact to the state.

However, the bill could have a fiscal impact to cities, villages, and counties that impose occupation taxes or license fees. The impact to each city, village, or county will vary based on the occupation taxes currently imposed, but could result in a reduction in revenue. For example, the City of Imperial estimates a reduction in revenue in FY 20-21 of \$2,900, and the City of Lincoln estimates a reduction in revenue in FY 20-21 of \$31 million.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 736	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Lee Will	DATE: 2/25/2019	PHONE: (402) 471-4175	
COMMENTS: Concur with the Department of Revenue's assessment of no fiscal impact.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 736	AM:	AGENCY/POLT. SUB: City of Imperial	
REVIEWED BY: Lee Will	DATE: 1/28/2019	PHONE: (402) 471-4175	
COMMENTS: The City of Imperial's assessment of fiscal impact seems reasonable given the assumptions used.			

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>			
LB: 736	AM:	AGENCY/POLT. SUB: City of Lincoln	
REVIEWED BY: Lee Will	DATE: 2/4/2019	PHONE: (402) 471-4175	
COMMENTS: No basis to disagree with the City of Lincoln's statement of fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 736	AM:	AGENCY/POLT. SUB: Lancaster County	
REVIEWED BY: Lee Will		DATE: 1/30/2019	PHONE: (402) 471-4175
COMMENTS: No basis to disagree with Lancaster County's assessment of fiscal impact.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 736	AM:	AGENCY/POLT. SUB: City of Omaha	
REVIEWED BY: Lee Will		DATE: 2/4/2019	PHONE: (402) 471-4175
COMMENTS: No basis to disagree with the City of Omaha's statement of fiscal impact.			



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

**2019**

**LB<sup>(1)</sup> 736**

**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> 01/24/2019 Phone: <sup>(5)</sup> 308-882-4368

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				-2,900.00
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>				<b>-2,900.00</b>

Explanation of Estimate:

Under this statute, we would have a loss of revenue from liquor license occupation tax fees

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....				
Operating.....				
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>				

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

**2019**

**LB<sup>(1)</sup> 736**

**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> 1/31/19 Phone: <sup>(5)</sup> 441-8301

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	<u>(10,000,000)</u>	_____	<u>(10,000,000)</u>
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	<u>(21,000,000)</u>	_____	<u>(21,000,000)</u>
<b>TOTAL FUNDS</b>	<u>_____</u>	<u>(31,000,000)</u>	<u>_____</u>	<u>(31,000,000)</u>

**Explanation of Estimate:**

This bill would significantly alter the occupation tax structure and potentially impact services delivered for general fund services, enhanced employment zones, landfill operations and the West Haymarket JPA.

Restructuring of occupation taxes would affect the JPA's ability to pay \$326,000,000 in outstanding bonds. The agreement between the JPA and the City of Lincoln would force an increase of the City of Lincoln's property tax levy.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____

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

**2019**

**LB<sup>(1)</sup> 736**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Lancaster County

Prepared by: <sup>(3)</sup> Dan Nolte Date Prepared: <sup>(4)</sup> 1/29/2019 Phone: <sup>(5)</sup> 402-441-8721

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

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	<u>0</u>	<u>\$0</u>	<u>0</u>	<u>\$0</u>

**Explanation of Estimate:**

It is difficult to estimate the potential lost revenue for Lancaster County as the bill is broadly written. The potential impact of loss of revenue for liquor licenses would be large, however am unclear if this legislation would apply.

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

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

**2019**

**LB<sup>(1)</sup> 736**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> CITY OF OMAHA

Prepared by: <sup>(3)</sup> TYLER LEIMER Date Prepared: <sup>(4)</sup> 1/31/2019 Phone: <sup>(5)</sup> 402-444-4514

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

**Explanation of Estimate:** Fiscal impact is hard to calculate. LB 736 would restrict the City of Omaha from revising occupation taxes in response to changes in how to occupations do business, and leave it with revenue shortfalls in the future.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
<b>TOTAL.....</b>	_____	_____	_____	_____