

PREPARED BY: Clinton Verner
 DATE PREPARED: January 19, 2023
 PHONE: 402-471-0056

LB 621

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|-------------------|----------------|-------------------|---------|
| | FY 2023-24 | | FY 2024-25 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | \$50,000,000 | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | (\$50,000,000) | | |
| TOTAL FUNDS | | \$0 | | |

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

LB621 amends the Site and Building Development Fund to allow for the issuance of grants to government subdivisions and Nebraska nonprofit organizations to improve buildings and infrastructure and to construct an outdoor soccer stadium, provides eligibility for grantees, and creates a transfer of \$50,000,000 from the Cash Reserve Fund to the Site and Building Development Fund. As this would likely be a single grant, this grant could likely be administered with current resources.

| | | |
|--|-----------------|--|
| ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE | | |
| LB: 621 | AM: | AGENCY/POLT. SUB: Department of Economic Development |
| REVIEWED BY: Neil Sullivan | DATE: 1/26/2023 | PHONE: (402) 471-4179 |
| COMMENTS: The Department of Economic Development assessment of fiscal impact from LB 621 appears reasonable. | | |

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

2023

LB⁽¹⁾ 621

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Economic Development

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 1/23/2023 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | <u>FY 2023-24</u> | | <u>FY 2024-25</u> | |
|--------------------|---------------------|----------------|---------------------|----------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | _____ | _____ | _____ | _____ |
| CASH FUNDS | _____ | \$50,000,000 | _____ | _____ |
| FEDERAL FUNDS | _____ | _____ | _____ | _____ |
| OTHER FUNDS | _____ | _____ | _____ | _____ |
| TOTAL FUNDS | ===== | ===== | ===== | ===== |

Explanation of Estimate:

LB621 allows for the issuance of Site and Building Development Fund (SBDF) funds to non-profits and governmental subdivisions to improve buildings, infrastructure, and an outdoor soccer stadium with a maximum capacity of 10,000 located in or adjacent to a qualified census tract (as determined by the U.S. Department of Housing and Urban Development (HUD) on January 1, 2023) of a city of the metropolitan class.

An approved application by NDED must receive a letter of support from the mayor of the city which the stadium will be located, a letter of support of the stadium’s primary tenant, and proof that \$25 million in non-public funds is readily available for the facility.

LB621 also transfers \$50 million into the SBDF fund from the Cash Reserve Fund. However, the bill as drafted does not appear to appropriate funds from the SBDF to DED. If an appropriation were made, DED expects that the administration of the bill would require the services of .25 FTE Attorney II and 1 FTE of an Economic Development Business Consultant II. The department expects that ½ of the \$50 million will be expended in each year of the biennium. Including PSL, the administration costs are \$22,600 and \$239,450 in FY2023-24 and FY2024-25, respectively.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2023-24</u> <u>EXPENDITURES</u> | <u>2024-25</u> <u>EXPENDITURES</u> |
|---------------------------|----------------------------|--------------|---------------------------------------|---------------------------------------|
| | <u>23-24</u> | <u>24-25</u> | | |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |
| Benefits..... | _____ | _____ | _____ | _____ |
| Operating..... | _____ | _____ | _____ | _____ |
| Travel..... | _____ | _____ | _____ | _____ |
| Capital outlay..... | _____ | _____ | _____ | _____ |
| Aid..... | _____ | _____ | _____ | _____ |
| Capital improvements..... | _____ | _____ | _____ | _____ |
| TOTAL..... | ===== | ===== | ===== | ===== |