

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

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2024-25</b>		<b>FY 2025-26</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	See below	See below	See below	See below

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

LB 1251 would make changes to the Sports Arena Facility Financing Assistance Act.

The bill would add to the definition of eligible sports arena facility any small sports facility including concession areas, parking facilities, and onsite administrative offices connected with operating the small sports facility. A small sports facility would mean a facility located in a city of the second class or village that:

- Includes indoor areas, outdoor areas, or both;
- Is primarily used for competitive sports; and
- Contains at least two separate sports venues

For any eligible small sports facility, 100% of the state sales tax revenue by the nearby retailer and sourced to the program area would be considered new state sales tax revenue under the Act. The program area for such facility would be the corporate limits of the city of the second class or village in which the facility is located.

The bill would remove from the definition of sports complex for cities of the second class or villages to have four separate sports venues.

The bill would add that for any eligible small sports facility, 25% of the state sales tax revenue collected by retailers doing business at eligible sports arena facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and new state sales tax revenue collected by nearby retailers and sourced to the program area would be received by the political subdivision from the certification for small sports facilities under the Act. The remaining 75% would be distributed in accordance with section 77-27,132.

State assistance for a small sports facility to the political subdivision would no longer be available after five years of funding or when state assistance reaches \$100 million, whichever would come first.

The operative date for this bill would be three months after adjournment.

The Department of Revenue (DOR) estimates an indeterminant revenue impact to General Funds and Cash Funds depending on projects that are approved under the Act. The DOR also estimates potential for a significant reduction in state sales tax revenue depending on the number and location of projects. The DOR provided an example that if the five largest second class cities in the state started projects at the same time, the estimated General Fund impact would be a reduction of \$22 million per year.

The DOR estimates minimal costs to it to implement the bill.

There is no basis to disagree with these estimates by the DOR.

The State Treasurer estimates no fiscal impact to it from the bill. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1251	AM:	AGENCY/POLT. SUB: State Treasurer
REVIEWED BY: Neil Sullivan	DATE: 2/13/2024	PHONE: (402) 471-4179
COMMENTS: The State Treasurer assessment of no fiscal impact from LB 1251 appears reasonable.		

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 1251	AM:	AGENCY/POLT. SUB: Department of Revenue
REVIEWED BY: Neil Sullivan	DATE: 2/13/2024	PHONE: (402) 471-4179
COMMENTS: No basis to disagree with the Department of Revenue assessment of indeterminate revenue impact and minimal administrative impact from LB 1251.		



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

**2024**

**LB<sup>(1)</sup> 1251**

**FISCAL NOTE**

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

Prepared by: <sup>(3)</sup> Jason Walters Date Prepared: <sup>(4)</sup> Jan. 22, 2024 Phone: <sup>(5)</sup> 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 1251 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.....	_____	_____	_____	_____