

**FISCAL NOTE**  
 LEGISLATIVE FISCAL ANALYST ESTIMATE

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *</b>				
	<b>FY 2009-10</b>		<b>FY 2010-11</b>	
	<b>EXPENDITURES</b>	<b>REVENUE</b>	<b>EXPENDITURES</b>	<b>REVENUE</b>
GENERAL FUNDS	\$55,700	(\$ 900,000)	\$45,100	(\$2,500,000)
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
<b>TOTAL FUNDS</b>	<b>\$55,700</b>	<b>(\$ 900,000)</b>	<b>\$45,100</b>	<b>(\$2,500,000)</b>

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

LB 618 would adopt the Family Entertainment and Sports Attraction Act.

The stated purpose of the Act is to assist in economic development by authorizing cities, counties, or joint entities to acquire certain property and to issue special obligation bonds for the financing of development projects that promote the establishment or expansion of family entertainment and sports attraction districts to provide reasonable financial assistance as necessary to accomplish that purpose.

The bill provides that cities, counties, or joint entities may apply to the Family Entertainment and Sports Attraction Act board to designate an entertainment and sports attraction district.

A family entertainment and sports attraction district means an eligible area, not to exceed 200 hundred acres for a project within the boundaries of a city and not to exceed 400 acres for any other project, that is declared to be an area in which the city, county, or joint entity may develop a development project.

A development project means an approved project to implement a development project plan to acquire, construct, and equip a family entertainment and sports attraction facility within a family entertainment and sports attraction district.

The applicant entity may request financial assistance from the state board. The state assistance would not exceed 75% of the state sales tax collected in the district and 100% of the local sales tax from the area. If financial assistance is approved, the Department of Revenue must annually audit or review audits of the status of each project to ensure required levels of employment and investment are satisfied and maintained for at least four years after the required levels are first satisfied; determine each month the amount of state and local sales taxes collected in the project area; and notify the State Treasurer monthly of the amount of assistance to be credited to the fund including amounts by project area.

If the project district is outside any city imposing a local option sales tax, the county could adopt a local option sales tax applicable only in the district by majority vote of the county board. The sales tax must comply with the Streamlined Sales and Use Tax Agreement and the sourcing rules of that agreement would determine which sales occur in the district.

The bill also authorizes the contracting public body that is building the development project or which has entered into an agreement with a public authority or company to do so, to borrow money, issue bonds, provide security for loans or bonds, establish a revolving loan fund, and provide grants, loans, or other means of financing to public or private persons in order to accomplish the development in accordance with the project agreement.

LB 618 also creates the Family Entertainment and Sports Attraction District Fund. The fund is to hold any money received from any financial assistance granted to the contracting public body.

LB 618  
Legislative Fiscal Analyst Comments  
Continued

The Department of Revenue estimates LB 618 will have the following fiscal impact:

FY2009-10: (\$ 900,000)  
FY2010-11: (\$2,500,000)  
FY2011-12: (\$4,300,000)  
FY2012-13: (\$5,300,000)

The Department of Revenue estimates the cost to administer LB 618 will be \$55,700 in FY2009-10, which includes 1.0 FTE for a Fiscal Compliance Analyst and initial operating costs, and \$45,100 in FY2010-11.

There is no basis to disagree with the Department's estimates of fiscal impact and cost to administer.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Lyn Heaton	DATE	3/18/09	PHONE	471-2526
COMMENTS					
DEPT. OF REVENUE – No basis to disagree with the agency analysis.					
COUNTIES – No basis upon which to disagree.					