Doug Gibbs February 13, 2017 402-471-0051

## LB 579

## Revision: 00 FISCAL NOTE LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)									
	FY 201	17-18	FY 2018-19						
	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 579 amends Nebraska Revised Statutes Section 14-109 and Section 8-1208.

For occupation taxes imposed after the effective date of LB 579, the bill provides a termination date and procedure. Such a tax is to terminate on December 31 of the second odd-numbered year after it is imposed unless extended by a vote of the people in an election held in an odd-numbered year. A vote in the affirmative would extend the tax for four years but is subject to vote every four years.

Section 8-1208 is amended to require a city of the metropolitan class to submit to the voters the question of whether or not to change the rate of an occupation tax imposed for a specific project which does not deposit the revenue in the city's general fund.

The bill adds language in Section 8-1208 to provide that a city of the metropolitan class does not have to submit to the voters the question of whether or not to terminate an occupation tax earlier than its original termination date.

There is no fiscal impact to the state as a result of the provisions of LB 579.

The Department of Revenue estimates no cost to the Department to implement the bill.

We agree with the Department of Revenue's estimate of cost.

## IMPACT TO POLITICAL SUBDIVISION:

The City of Omaha indicates no fiscal impact.

We have no basis to disagree with the City of Omaha's estimate of fiscal impact.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE

LB: 579	AM:	AGENCY/POLT. SUB: City of Lincoln			
REVIEWED BY: Lyn Heaton		DATE: 2/15/2017	PHONE: (402) 471-4181		
COMMENTS: Concur. No fiscal impact on the City of Lincoln					

ADMIN	ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE							
LB: 579	AM:	AGENCY/POLT. S	UB: City of Omaha					
REVIEWED B	BY: Lyn Heaton	DATE: 2/15/2017	PHONE: (402) 471-4181					
	COMMENTS: Indeterminate fiscal impact due to uncertainty of city council decision-making and of any potential election outcome. We also lack the data necessary to estimate an impact if an occupation tax is terminated.							

## Fiscal Note 2017

		State Agency	Esumate			
State Agency Name: Department of	Revenue				Date Due LFA:	2/16/2017
Approved by: Tony Fulton		Date Prepared:	2/10/2017		Phone: 471-5896	
	FY 2017	7-2018	FY 2018	-2019	FY 20	19-2020
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$0	\$0	\$0	\$0	\$0	\$0
Cash Funds						
Federal Funds						
Other Funds						
Total Funds	\$0	\$0	\$0	\$0	\$0	\$0

State A com our Estimate

LB 579 provides that any occupation tax imposed pursuant to Neb. Rev. Stat. §§ 14-109 or 18-1208 on or after the effective date of the act shall terminate on December 31 of the second odd-numbered year after it is imposed unless extended by a vote of the people. The election must be held within the city in an odd-numbered year in which all registered voters are entitled to vote on the question of extending the occupation tax, which may be extended for four additional years, subject to a vote every four years.

LB 579 amends Neb. Rev. Stat. § 18-1208 to require a city of the metropolitan class to submit to the voters whether to change the rate of an occupation tax imposed for a specific project, which does not provide for deposit of the tax proceeds in the municipality's general fund. This provision is made retroactive to occupation taxes imposed prior to, on, or after the effective date of the act.

It is estimated that this bill would have no impact on the General Fund.

It is estimated that there would be no costs to the Department to implement this bill.

	Major Objects of Expenditure							
<u>Class Code</u>	Classification Title	17-18 <u>FTE</u>	18-19 <u>FTE</u>	19-20 <u>FTE</u>	17-18 <u>Expenditures</u>	18-19 <u>Expenditures</u>	19-20 <u>Expenditures</u>	
Benefits								
Operating Costs	Operating Costs							
Capital Outlay								
Aid								
Capital Improvement	Capital Improvements							
Total		•••••						

Please complete <u>ALL</u> (5) blanks in the first three lines.

<b>LB</b> <sup>(1)</sup> 579					FISCAL NOTE
State Agency OR Politica	l Subdivision Name: (2)	City of Lincoln			
Prepared by: <sup>(3)</sup> She	rry Wolf Drbal	Date Prepared: <sup>(4)</sup>	1-23-17	Phone: (5)	402-441-8305
	ESTIMATE PROVII	DED BY STATE AGENO	<u>CY OR POLITICA</u>	L SUBDIVISIO	DN
	<u>FY</u> EXPENDITURES	<u>2017-18</u> <u>REVENUE</u>	EXPENDI	<u>FY 2018-</u> TURES	-19 REVENUE
GENERAL FUNDS					
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS					
Explanation of Estimat	e:				

Since the bill applies to metropolitan cities, no fiscal impact is anticipated.

BREAKE	OWN BY MA	JOR OBJECTS O	F EXPENDITURE	
Personal Services:				
	NUMBER O	F POSITIONS	2017-18	2018-19
POSITION TITLE	<u>17-18</u>	<u>18-19</u>	<b>EXPENDITURES</b>	<b>EXPENDITURES</b>
<b>B</b>				
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				

Please complete  $\underline{ALL}$  (5) blanks in the first three lines.

<b>LB</b> <sup>(1)</sup> 579					FISCAL NOTE
State Agency OR Pol	litical Subdivision Name: (2)	City of Omaha			
Prepared by: <sup>(3)</sup>	Tyler Leimer	Date Prepared: <sup>(4)</sup>	1/25/2017	Phone: (5)	(402) 444-4514
	ESTIMATE PROVID	ED BY STATE AGENC	Y OR POLITICAL S	UBDIVISIC	N
	FV a	2017-18		FY 2018	-10
	EXPENDITURES	<u>REVENUE</u>	<b>EXPENDITU</b>		<u>REVENUE</u>
GENERAL FUNDS	s				
CASH FUNDS					
FEDERAL FUNDS					
OTHER FUNDS					
TOTAL FUNDS					

Explanation of Estimate: No fiscal impact

BREAKI	DOWN BY MA.	JOR OBJECTS O	<u>F EXPENDITURE</u>	
Personal Services:				
POSITION TITLE	NUMBER OI 17-18	POSITIONS 18-19	2017-18 EXPENDITURES	2018-19 EXPENDITURES
	11 10	10 10		
D. C.				
Benefits				
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL				