

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

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates) |                   |           |                   |           |
|---|-------------------|-----------|-------------------|-----------|
|   | <b>FY 2018-19</b> |           | <b>FY 2019-20</b> |           |
|   | EXPENDITURES      | REVENUE   | EXPENDITURES      | REVENUE   |
| GENERAL FUNDS   |                   | See Below |                   | See Below |
| CASH FUNDS  | See Below         | See Below | See Below         | See Below |
| FEDERAL FUNDS   |                   |           |                   |           |
| OTHER FUNDS   |                   |           |                   |           |
| TOTAL FUNDS   | 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 739 amends the Sports Arena Facility Financing Assistance Act.

Section 13-3102 is amended to add “sports complex” to the definition of “eligible sports arena facility” for purposes of the Act. It also adds language to say that an eligible sports arena includes “stadiums, arenas, fields, concession areas, parking facilities, and onsite administrative offices connected with operating the facilities.”

It changes several definitions from “occupancy” to “project completion date.”

“Sports complex” is defined as a facility that (a) includes indoor areas, outdoor areas, or both, (b) is primarily used for competitive sports, and (c) contains at least twelve separate sports venues including, but not limited to, baseball, softball, soccer, football, an outdoor stadium, and outdoor arena, or an enclosed, temperature-controlled building.

A sports complex does not have to be publicly owned and there are no maximum or minimum seating capacity requirements.

The date for determining new sales tax revenue now refers to project completion date instead of occupancy, and the area for determining nearby retailers would be expanded.

The Department of Revenue has indicated that the revenue impact on the General Fund and on Cash Funds are unknown at this time and are contingent upon future qualifying sports complex facility projects. Dependent on location, population, and businesses, there is the potential for significant cost regarding state sales tax revenue. For example, \$9,959,000 was transferred during fiscal year 2016-17 under the terms of the Sports Arena Facility Financing Assistance Act and the Convention Center Facility Financing Assistance Act for three current projects.

The Department of Revenue indicates minimal costs to implement the provisions of LB 739.

We have no basis to disagree with the Department of Revenue’s estimate of fiscal impact and cost

| <b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSE</b>  |     |                                    |  |
|---|-----|------------------------------------|--|
| LB: 739   | AM: | AGENCY/POLT. SUB: Dept. of Revenue |  |
| REVIEWED BY: Lyn Heaton   |     | DATE: 1/31/2018                    | PHONE: <a href="tel:4024714181">(402) 471-4181</a> |
| COMMENTS: It is reasonable to conclude that the bill will reduce the level of investment required to construct and operate a “sports arena facility” eligible for state sales tax turnback and consequently result in a considerable number of sports complexes for which state assistance would be provided compared to the three large-scale projects currently receiving state assistance. |     |                                    |  |

