

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	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 724 amends the Nebraska Advantage Act to require any taxpayer that is a domestic corporation with a board of directors composed of at least one-half female board members.

The requirement applies throughout the entitlement period, and any failure to meet the requirement is treated in the same manner as failing to maintain the required level of employment for purposes of recapture and disallowance of incentives. The bill requires any domestic corporation to include information regarding board members' gender on an application under the act, and if necessary, a timetable showing the year the taxpayer expects to meet the requirements under LB 724. The requirements apply to all applications after the effective date of the bill.

LB 724 requires the Tax Commissioner's annual report to the Legislature to include each applicant taxpayer's percentage of female board members.

The Department of Revenue estimates no impact on General Fund revenue because they assume all qualifying businesses will comply. The Legislative Fiscal Office disagrees with this assumption and estimate. However, it is not possible to determine the fiscal impact of LB 724 because it is not possible to determine the level of compliance of each applicant taxpayer, whether compliance will be maintained by each applicant taxpayer during the entitlement period, or any effect of the additional requirement on the number of future applications.

The Department of Revenue and the Department of Economic Development estimate no cost to implement the bill. There is no basis to disagree with these estimates.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 724	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Neil Sullivan	DATE: 3/13/2019	PHONE: (402) 471-4179	
COMMENTS: No basis to disagree with the Department of Revenue estimate of minimal fiscal impact from LB 724.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 724	AM:	AGENCY/POLT. SUB: Department of Economic Development	
REVIEWED BY: Neil Sullivan	DATE: 3/13/2019	PHONE: (402) 471-4179	
COMMENTS: Concur with the Department of Economic Development assessment of no fiscal impact from LB 724.			

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2019

LB⁽¹⁾ 724

FISCAL NOTE

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

Prepared by: ⁽³⁾ Dave Rippe Date Prepared: ⁽⁴⁾ 3/7/2019 Phone: ⁽⁵⁾ 471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</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:

LB 724 amends Sections 77-5701, 77-5723, and 77-5731 of the Nebraska Advantage Act. The bill provides requirement that any taxpayer that is a domestic corporation with a board of directors shall not qualify for Nebraska Advantage Act incentives unless at least one-half of the board members are female.

The act requires the board of directors to provide information regarding the genders of the members of the board and provide a timetable for ensuing that fifty percent of the board is female to the Nebraska Department of Revenue. Additionally, the Tax Commissioner must include the percentage of female members on the boards of directors of any such taxpayers in the program's annual report to the legislature

It is estimated that there will be no cost to the Department to implement LB 724 as drafted.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____