

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)

| | FY 2025-26 | | FY 2026-27 | |
|---------------|--------------|---------|--------------|---------|
| | 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 289 changes provisions related cities and villages. LB 289 amends statute related to the number, election, and terms of village board trustees. The bill also defines "Qualifying business" under the Local Option Municipal Economic Development Act.

Section 2 allows village boards to consist of three or five members. Current statute provides for five members. This section and section 3 go on to provide provisions for villages elections to either increase or decrease the number of elected trustees.

Section 4 changes the definition for "Qualifying business" to remove reference to a business that derives its principal source of income from retail trade *"except that no more than forty percent of the total revenue generated pursuant to the Local Option Municipal Economic Development Act for an economic development program in any twelve-month period and no more than twenty-five percent of the total revenue generated pursuant to the act for an economic development program in any five-year period"*.

No fiscal impact.

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

| | | | |
|---|-----|--------------------------------------|-----------------------|
| LB: 289 | AM: | AGENCY/POLT. SUB: Secretary of State | |
| REVIEWED BY: Ryan Yang | | DATE: 1/22/2025 | PHONE: (402) 471-4178 |
| COMMENTS: The Secretary of State assessment of no fiscal impact from LB 289 appears reasonable. | | | |

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

| | | | |
|--|-----|---|-----------------------|
| LB: 289 | AM: | AGENCY/POLT. SUB: Department of Revenue | |
| REVIEWED BY: Ryan Yang | | DATE: 1/24/2025 | PHONE: (402) 471-4178 |
| COMMENTS: The Department of Revenue assessment of no fiscal impact from LB 289 appears reasonable. | | | |

State Agency Estimate

| | | | | | | | | |
|--|----------------------------|---------------------------|--|----------------------------|----------------|--|----------------------------|----------------|
| State Agency Name: Department of Revenue | | | | Date Due LFO: | | | | |
| Approved by: James R. Kamm | | Date Prepared: 01/24/2025 | | Phone: 471-5896 | | | | |
| | <u>FY 2025-2026</u> | | | <u>FY 2026-2027</u> | | | <u>FY 2027-2028</u> | |
| | <u>Expenditures</u> | <u>Revenue</u> | | <u>Expenditures</u> | <u>Revenue</u> | | <u>Expenditures</u> | <u>Revenue</u> |
| General Funds | | \$ 0 | | | \$ 0 | | | \$ 0 |
| Cash Funds | | | | | | | | |
| Federal Funds | | | | | | | | |
| Other Funds | | | | | | | | |
| Total Funds | | \$ 0 | | | \$ 0 | | | \$ 0 |

LB 289 allows villages to vote on whether to have a three- or five-member board of trustees. Currently, village boards of trustees all have five members. If a village votes to switch from one to the other, LB 289 provides for the mechanics of elections. Registered voters in a village would be permitted to petition to change the number of members on the village's board of trustees. Petitions would need to be signed by 5% of registered voters in the village and filed with the election commissioner or county clerk.

LB 289 also changes the definition of a qualifying business for businesses whose principal source of income is from the retail trade within the Local Option Municipal Economic Development Act. The proposed change would simplify the current language from:

- “A business that derives its principal source of income from retail trade, except that no more than 40% of the total revenue generated pursuant to the Local Option Municipal Economic Development Act for an economic development program in any 12 month period and no more than 20% of the total revenue generated pursuant to the act for an economic development program in any five-year period, commencing from the date of municipal approval of an economic development program, must be used by the city for or devoted to the use of retail trade businesses. For purposes of this subdivision, retail trade means a business which is principally engaged in the sale of goods or commodities to ultimate consumers for their own use or consumption and not for resale;” to
- “A business that derives its principal source of income from retail trade. For purposes of this subdivision, retail trade means a business which is principally engaged in the sale of goods or commodities to ultimate consumers for their own use or consumption and not for resale;”

The operative date for LB 289 is three months after adjournment of the Legislature.

It is estimated that LB 289 will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department of Revenue to implement this bill.

| Major Objects of Expenditure | | | | | | | |
|------------------------------|-----------------------------|----------------------|----------------------|----------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>Class Code</u> | <u>Classification Title</u> | <u>25-26 FTE</u> | <u>26-27 FTE</u> | <u>27-28 FTE</u> | <u>25-26 Expenditures</u> | <u>26-27 Expenditures</u> | <u>27-28 Expenditures</u> |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Benefits..... | | | | | | | |
| Operating Costs..... | | | | | | | |
| Travel..... | | | | | | | |
| Capital Outlay..... | | | | | | | |
| Capital Improvements..... | | | | | | | |
| Total..... | | | | | | | |

State Agency OR Political Subdivision Name: ⁽²⁾ Secretary of State

Prepared by: ⁽³⁾ Joan Arnold

Date Prepared: ⁽⁴⁾ 1-17-2025

Phone: ⁽⁵⁾ 402-471-2384

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2025-26 | | FY 2026-27 | |
|---------------|--------------|---------|--------------|---------|
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | | | | |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | | | | |

Explanation of Estimate:

No Fiscal Impact

| BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE | | | | |
|---|---------------------|-------|--------------|--------------|
| Personal Services: | | | | |
| POSITION TITLE | NUMBER OF POSITIONS | | 2025-26 | 2026-27 |
| | 25-26 | 26-27 | EXPENDITURES | EXPENDITURES |
| | | | | |
| | | | | |
| Benefits..... | | | | |
| Operating..... | | | | |
| Travel..... | | | | |
| Capital outlay..... | | | | |
| Aid..... | | | | |
| Capital improvements..... | | | | |
| TOTAL..... | | | | |