PREPARED BY: DATE PREPARED: PHONE: Douglas Gibbs January 30, 2018 402-471-0051

LB 739

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)						
	FY 201	8-19	FY 2019-20			
	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 area, 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

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE					
LB: 739	_B: 739 AM: AGENCY/POLT. SUB: Dept. of Revenue				
REVIEWED B	BY: Lyn Heaton	DATE: 1/31/2018	PHONE: (402) 471-4181		
COMMENTS: It is reasonable to conclude that the bill will reduce the level of investment required to construct and operate					

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.

LB 739 Fiscal Note 2018

	State Agency	Estimate			
of Revenue				Date Due LFA:	01/31/2018
	Date Prepared:	01/24/2018		Phone: 471-5896	
FY 2018	<u>-2019</u>	FY 2019-2020		FY 2020-2021	
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
	See below		See below		See below
See below		See below		See below	
See below	See below	See below	See below	See below	See below
	Expenditures See below	of Revenue Date Prepared: FY 2018-2019 Expenditures See below See below	Date Prepared: 01/24/2018 FY 2018-2019 FY 2019	Total Revenue Date Prepared: 01/24/2018 FY 2018-2019 FY 2019-2020 Expenditures Revenue Expenditures Revenue See below See below See below	Date Due LFA: Date Prepared: 01/24/2018 Phone: 471-5896 FY 2018-2019 FY 2019-2020 FY 202 Expenditures Revenue Expenditures Expenditures See below See below See below See below

LB 739 would amend Neb. Rev. Stat. § 13-3102 (the Sports Arena Facility Financing Assistance Act) to expand the definition of "eligible sports arena facility" to include "sports complexes." Sports complex means a facility that includes indoor or outdoor areas which are primarily used for competitive sports and contains at least twelve separate sports venues, which could be baseball, soccer, football, an outdoor stadium, or an indoor arena. Unlike sports arenas currently, the sports complex does not have to be publicly owned, and there is no minimum or maximum seating capacity. A political subdivision would still have to issue a bond or adopt a resolution to acquire an eligible facility.

As a result of this change, the dates for determining the new sales tax revenues for a sports complex refers to the project completion date, rather than an occupancy permit, and the 600-yard limit for measuring nearby retailers would be expanded because it is measured from the edge of fields and administrative offices. Further harmonizing changes include calling the applications requests for funding projects rather than eligible sports arena facilities.

The revenue impact on the General Fund and Cash Funds are unknown and contingent upon future qualifying sports complex facility projects. Depending on the location of these projects and the nearby population and businesses, there is potential for a significant cost regarding state sales tax revenue. For referencing purposes, \$9.959 million was transferred during fiscal year 2016-2017 under the terms of the Sports Arena Facility Financing Assistance Act and the Convention Center Facility Financing Assistance Act for three current projects.

It is estimated that there will be minimal costs to the Department to implement this bill.

Major Objects of Expenditure							
<u>Class Code</u>	Classification Title	18-19 <u>FTE</u>	19-20 <u>FTE</u>	20-21 <u>FTE</u>	18-19 <u>Expenditures</u>	19-20 Expenditures	20-21 Expenditures
Benefits							
Operating Costs							
Travel							
Capital Outlay							
	nts						
Total					·		