PREPARED BY: DATE PREPARED: PHONE: John Wiemer February 21, 2023 402-471-0051

LB 213

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)							
FY 2023-24 FY 2024-25							
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS		(\$243,000)		(\$389,000)			
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		(\$243,000)		(\$389,000)			

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 213 amends provisions of the Nebraska Job Creation and Mainstreet Revitalization Act and the Rural Workforce Housing Investment Act.

Nebraska Job Creation and Mainstreet Revitalization Act:

Under LB 213, for the Nebraska Job Creation and Mainstreet Revitalization Act, eligible expenditures would be redefined so that for tax credit applications on or after the effective date of the Act, eligible expenditures would be for any cost incurred for the improvement of historically significant real property located in a city of the 2nd class or village, including, but not limited to, qualified rehabilitation expenditures as defined in section 47(c)(2) of the Internal Revenue Code, as amended, and the related regulations thereunder, if such improvement is in conformance with the standards.

LB 213 also makes changes so that new applications filed under the Act could be submitted through December 31, 2026. All applications and all credits pending or approved before that date would continue in full force and effect, except that no credits would be allocated under section 77-2905, issued under section 77-2906, or used on any tax return or similar filing after December 31, 2031.

Rural Workforce Housing Investment Act:

LB 213 makes changes to the matching requirements for workforce housing grant funds. Under the bill, applicants who would use the funds to address workforce housing needs in a city of the second class or village would provide matching funds of at least 25% of the amount of the funds awarded. All other applicants would still provide matching funds of at least 50% of the amount of the funds awarded.

The Department of Revenue (DOR) estimates the following reduction in General Fund revenues from this bill:

- FY 23-24: \$243,000
- FY 24-25: \$389,000
- FY 25-26: \$778,000
- FY 26-27: \$1,167,000

The DOR estimates minimal costs to implement the bill.

There is no basis to disagree with these estimates by the DOR.

History Nebraska estimates no fiscal impact from this bill. There is no basis to disagree with this estimate.

The Nebraska Department of Economic Development estimates minimal fiscal impact from this bill. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 213	AM:	AGENCY/POLT. SUB: Departm	nent of Revenue			
REVIEWED E	BY: Neil Sullivan	DATE: 2/22/2023	PHONE: (402) 471-4179			
COMMENTS: The Department of Revenue assessment of fiscal impact from LB 213 appears reasonable.						

ADMINIS	STRATIVE SERVICES	S STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE		
LB: 213	AM:	AGENCY/POLT. SUB: State H	Historical Society		
REVIEWED B	Y: Neil Sullivan	DATE: 2/21/2023	PHONE: (402) 471-4179		
COMMENTS: No basis to disagree with the State Historical Society assessment of no fiscal impact from LB 213.					

ADMIN	IISTRATIVE SERVICE	ES STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE		
LB: 213	AM:	AGENCY/POLT. SUB: Depart	ment of Economic Development		
REVIEWED	BY: Neil Sullivan	DATE: 2/21/2023	PHONE: (402) 471-4179		
COMMENTS: The Department of Economic Development assessment of minimal fiscal impact from LB 213 appears reasonable.					

ADMIN	NISTRATIVE SERVICE	S STATE BUDGET DIVISION: REVIE	W OF AGENCY & POLT. SUB. RESPONSE
LB: 213	AM:	AGENCY/POLT. SUB: Nebras	ka Association of County Officials
REVIEWED	BY: Neil Sullivan	DATE: 2/21/2023	PHONE: (402) 471-4179
COMMENTS from LB 213	•	with the Nebraska Association of Cour	nty Officials assessment of minimal fiscal impact

LB 0213 Fiscal Note 2023

State Agency Estimate						
State Agency Name: Department	t of Revenue				Date Due LFO:	
Approved by: Glen White		Date Prepared:	02/21/2023		Phone: 471-5896	
FY 2023-2024		3-2024	FY 2024	1-2025	FY 2025	5-2026
	Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds		(\$243,000)	1	(\$389,000)		(\$778,000)
Cash Funds						
Federal Funds						
Other Funds						
Total Funds		(\$243,000)		(\$389,000)		(\$778,000)
	<u> </u>					

LB 213 makes changes to the Nebraska Job Creation and Mainstreet Revitalization Act (Act) by restricting eligible expenditures for qualifying historical property for applications submitted to cities and villages of the second class after the effective upon enactment. Further, § 81-1229 is amended to state that the cities of the second class or villages only provide matching workforce housing grants at the rate of 25% of the amounts awarded, instead of the current 50% requirement.

LB 213 extends the application deadline to on or before December 31, 2026. LB 213 also extends the final date to allocate, issue, or use credits to December 31, 2031.

The Department of Revenue (DOR) estimates the following reduction in General Fund revenue from LB 213:

FY 2023-24	\$ 243,000
FY 2024-25	\$ 389,000
FY 2025-26	\$ 778,000
FY 2026-27	\$ 1,167,000

DOR estimates minimal costs to implement LB 213.

LB 213 contains an emergency clause and becomes law upon enactment.

Major Objects of Expenditure							
Class Code	Classification Title	23-24 <u>FTE</u>	24-25 <u>FTE</u>	25-26 <u>FTE</u>	23-24 Expenditures	24-25 Expenditures	25-26 Expenditures
Benefits							
Operating Costs							
Travel							
Capital Outlay.							
	ts						
Total							

LB ⁽¹⁾ 213						FISCAL NOTE		
	olitical Subdivision Name:	History	History Nebraska (Nebraska State Historical Society)					
402444 Prepared by: (3)	Michelle Furby	Date P	repared: ⁽⁴⁾	January 18, 2023	Phone: (5)	402-471-3171		
	ESTIMATE PRO	OVIDED BY ST	TATE AGENO	CY OR POLITICAL	. SUBDIVIS	SION		
	ī	Y 2023-24			FY 2024	. 05		
	<u>EXPENDITUR</u>		EVENUE	EXPENDITU		REVENUE		
GENERAL FUND	OS							
CASH FUNDS								
FEDERAL FUND								
OTHER FUNDS								
TOTAL FUNDS	<u></u>			-				
TOTAL FUNDS								
Explanation of Es	timate:							
Personal Services:		<u>OWN BY MAJ</u>	OR OBJECTS	S OF EXPENDITUI	<u> </u>			
	ON TITLE	NUMBER OF <u>23-24</u>	POSITIONS 24-25	2023-24 EXPENDITU	RES	2024-25 EXPENDITURES		
Renefits								
Capital improvem	ents							
TOTAL								

LB ⁽¹⁾ 213						FISCAL NOTE
State Agency OR	Political Subdivision Name	. (2) Nebrasł	ka Departmei	nt of Econon	nic Develo	pment
Prepared by: (3)	Dave Dearmont	Date F	repared: (4)1/	/18/2023	Phone: (402-471-3777
	ESTIMATE PRO	OVIDED BY ST	ATE AGENCY	OR POLITIC	AL SUBDIVI	ISION
		FY 2023-24				24-25
	EXPENDITU	RES E	EVENUE	EXPEND	TURES	<u>REVENUE</u>
GENERAL FUN	NDS					
CASH FUNDS						
FEDERAL FUN	IDS					
OTHER FUNDS	S					
TOTAL FUNDS	<u> </u>					
Explanation of Es	stimate:					
second class ar	ral Workforce Housing and villages from one-had villages from one-had ave minimal cost for the state of the s	alf to one-qua	rter of the amo	ount awarded	t in the adm	
Personal Services		<u>OWN BY MAJO</u>	OR OBJECTS O	<u> F EXPENDIT</u>	<u>'URE</u>	
		NUMBER OF	POSITIONS	2023		2024-25
POSIT	TION TITLE	<u>23-24</u>	<u>24-25</u>	EXPEND	<u>ITURES</u>	<u>EXPENDITURES</u>
Benefits						
Operating						
Travel						
Capital outlay						
Aid						
Capital improve	ments					
TOTAL						

TOTAL.....

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION FY 2023-24 EXPENDITURES REVENUE EXPENDITURES REVENUE GENERAL FUNDS FEDERAL FUNDS OTHER FUNDS	LB ⁽¹⁾ 213					FISCAL NOTE			
ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION FY 2023-24 EXPENDITURES REVENUE EXPENDITURES REVENUE GENERAL FUNDS CASH FUNDS TOTAL FUNDS TOTAL FUNDS Explanation of Estimate: B 213 would redefine the term eligible expenditure; extend certain deadlines under the Nebraska Job Creation and Mainstreet Revitalization Act; and change a matching fund requirement under the Rural Workforce Housing Investment Act. The fiscal impact is not expected to be significant as a result of LB213. BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services: NUMBER OF POSITIONS 2023-24 2024-25 EXPENDITURES BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE POSITION TITLE 23-24 24-25 EXPENDITURES BENEFITS. Operating. Travel. Capital outlay.	State Agency OR l	Political Subdivision Name: (2)	Nebraska Association of County Officials (NACO)						
FY 2023-24 FY 2024-25 EXPENDITURES REVENUE EXPENDITURES REVENUE GENERAL FUNDS CASH FUNDS CASH FUNDS COTHER F	Prepared by: (3)	Elaine Menzel	Date Prepared: (4)	1/18/2023	Phone: (5)	402.434.5660			
EXPENDITURES REVENUE EXPENDITURES REVENUE GENERAL FUNDS CASH FUNDS OTHER FUNDS COTAL FUNDS Explanation of Estimate: LB 213 would redefine the term eligible expenditure; extend certain deadlines under the Nebraska Job Creation and Mainstreet Revitalization Act; and change a matching fund requirement under the Rural Workforce Housing Investment Act. The fiscal impact is not expected to be significant as a result of LB213. BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services: NUMBER OF POSITIONS 2023-24 2024-25 POSITION TITLE BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURES POSITION TITLE Capital outlay.		ESTIMATE PROVI	DED BY STATE AGEN	ICY OR POLITICAL	L SUBDIVISIC	ON			
GENERAL FUNDS CASH FUNDS DITHER FUNDS COTAL FUNDS Explanation of Estimate: LB 213 would redefine the term eligible expenditure; extend certain deadlines under the Nebraska Job Creation and Mainstreet Revitalization Act; and change a matching fund requirement under the Rural Workforce Housing Investment Act. The fiscal impact is not expected to be significant as a result of LB213. BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services: NUMBER OF POSITIONS 2023-24 2024-25 EXPENDITURES Benefits		FY	2023-24		FY 2024	-25			
CASH FUNDS DTHER FUNDS TOTAL FUNDS Explanation of Estimate: B 213 would redefine the term eligible expenditure; extend certain deadlines under the Nebraska Job Creation and Mainstreet Revitalization Act; and change a matching fund requirement under the Rural Workforce Housing Investment Act. The fiscal impact is not expected to be significant as a result of LB213. BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services: NUMBER OF POSITIONS 2023-24 2024-25 EXPENDITURES Benefits. Deperating. Travel. Capital outlay		EXPENDITURES	REVENUE	EXPENDIT	TURES	REVENUE			
TOTAL FUNDS TOTAL FUNDS Explanation of Estimate: B 213 would redefine the term eligible expenditure; extend certain deadlines under the Nebraska Job Creation and Mainstreet Revitalization Act; and change a matching fund requirement under the Rural Workforce Housing Investment Act. The fiscal impact is not expected to be significant as a result of LB213. BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services: NUMBER OF POSITIONS 2023-24 2024-25 EXPENDITURES Benefits Departing Travel. Capital outlay	GENERAL FUN	IDS	-	_					
TOTAL FUNDS Explanation of Estimate: LB 213 would redefine the term eligible expenditure; extend certain deadlines under the Nebraska Job Creation and Mainstreet Revitalization Act; and change a matching fund requirement under the Rural Workforce Housing Investment Act. The fiscal impact is not expected to be significant as a result of LB213. BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE	CASH FUNDS			<u></u>					
Explanation of Estimate: LB 213 would redefine the term eligible expenditure; extend certain deadlines under the Nebraska Job Creation and Mainstreet Revitalization Act; and change a matching fund requirement under the Rural Workforce Housing Investment Act. The fiscal impact is not expected to be significant as a result of LB213. BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services: NUMBER OF POSITIONS 2023-24 2024-25 POSITION TITLE 23-24 24-25 EXPENDITURES Benefits Operating Travel Capital outlay	FEDERAL FUN	DS							
Explanation of Estimate: LB 213 would redefine the term eligible expenditure; extend certain deadlines under the Nebraska Job Creation and Mainstreet Revitalization Act; and change a matching fund requirement under the Rural Workforce Housing Investment Act. The fiscal impact is not expected to be significant as a result of LB213. BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE Personal Services: NUMBER OF POSITIONS 2023-24 2024-25 EXPENDITURES Benefits. Operating. Travel. Capital outlay.	OTHER FUNDS	<u> </u>		_					
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Personal Services: POSITION TITLE NUMBER OF POSITIONS 2023-24 EXPENDITURES EXPENDITURES Expenditures EXPENDITURES	Workforce Hou	ising Investment Act.	· ·		ement under	the Rural			
POSITION TITLE NUMBER OF POSITIONS 2023-24 2024-25 EXPENDITURES	Porsonal Somico		VN BY MAJOR OBJEC	TS OF EXPENDIT	<u>'URE</u>	-			
Operating		N							
Operating									
Travel									
Capital outlay									
NU									
Capital improvements									