

PREPARED BY: Scott Danigole
 DATE PREPARED: January 30, 2014
 PHONE: 471-0055

LB 1010

Revision: 00

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2014-15		FY 2015-16	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	77,000		76,105	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	77,000		76,105	

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

LB 1010 is the Nebraska Enterprise Act. The purposed of the Act is to provide the Governor with the ability to recruit and retain businesses looking to locate or expand in the state.

Section 3 creates the Nebraska Enterprise Fund. It may only be used for economic development, infrastructure development, community development, job training programs, and business incentives.

Under the bill's provisions, the Governor is allowed to make grants from the fund. Section 6 requires priority to be given for certain elements.

The Office of the Governor estimates the need for 1.0 FTE to administer the Act. The costs for this are identified at \$77,000 in the first year and \$76,105 annually thereafter. This estimate appears to be reasonable.

ADMINISTRATIVE SERVICES-STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSES			
LB: 1010	AM:	AGENCY/POLT. SUB: Governor	
REVIEWED BY: Gary Bush		DATE: January 30, 2014	PHONE: 471-4161
COMMENTS: Agree with the estimate of impact.			

Please complete ALL (5) blanks in the first three lines.

2014

LB⁽¹⁾ 1010

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾

Governor (Agency 07)

Prepared by: ⁽³⁾ Lauren Kintner

Date Prepared: ⁽⁴⁾ January 29, 2014

Phone: ⁽⁵⁾ 471-2414

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2014-15</u>		<u>FY 2015-16</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	<u>77,000</u>	<u></u>	<u>76,105</u>	<u></u>
CASH FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
FEDERAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
OTHER FUNDS	<u></u>	<u></u>	<u></u>	<u></u>
TOTAL FUNDS	<u></u>	<u></u>	<u></u>	<u></u>

Explanation of Estimate:

LB 1010 would create the Nebraska Enterprise Act and the Nebraska Enterprise Fund which would be used for economic development, infrastructure development, community development, job training programs, and business incentives. The Governor would award grants from the Fund to legal entities that are in good standing under the laws of the state in which the entities were formed or organized and that owe no delinquent taxes to a taxing unit of Nebraska.

The Governor would enter into a written agreement with the grant recipient that would require the creation of jobs, and provisions for repayment and penalties, if jobs are not created. Prior to approval of a grant, the Governor would have to prepare a statement that assesses the direct economic impact that approval of the grant would have on the residents of Nebraska, including jobs to be created, median wage of the jobs, amount of taxes to be generated, and other incentives to be distributed to the grant recipient.

The Governor would be required to give grant priority to small businesses creating additional jobs, small businesses relocating to Nebraska, and for projects that create one hundred or fewer additional jobs. Grant recipients would have to submit progress reports to the Governor that would be used by the Governor to prepare an annual report, to be submitted to the Clerk of the Legislature before the beginning of each regular session of the Legislature.

As drafted, LB 1010 does not specify the size or scope of the Fund or the Act. It is estimated that the new initiative created by the bill would require one coordinator. There would also be one-time estimated cost of \$2,750 for office equipment and a computer for the staff position. However, the number of staff required could increase dependent upon the number of grants, grant applications, and the complexity of the program rules.

It is unknown at this time if travel costs would need to be accounted for with this position. It is assumed that the Department of Economic Development would identify prospects for consideration by the Governor for grants. No estimate is made of an amount for grants.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2014-15</u>	<u>2015-16</u>
	<u>14-15</u>	<u>15-16</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Economic Development Coordinator	<u>1.0</u>	<u>1.0</u>	<u>\$55,000</u>	<u>\$56,375</u>
Benefits.....			<u>19,250</u>	<u>19,730</u>
Operating.....			<u>2,750</u>	

Travel.....	_____	_____
Capital outlay.....	_____	_____
Aid.....	_____	_____
Capital improvements.....	_____	_____
TOTAL	<u>77,000</u>	<u>76,105</u>