

# 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	\$64,300	See Below	\$61,300	See Below
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	\$64,300	See Below	\$61,300	See Below

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

LB 510 provides that commencing July 1, 2025, the rate of the sales tax levied pursuant to section 77-2703 shall be 5.5%, except that such rate shall be 2.75% on transactions that occur within that portion of a good life district established pursuant to the Good Life Transformational Projects Act which is located within the corporate limits of a city or village, but only after such city or village has imposed a sales tax or occupation tax equal to at least 2.75% on transactions that occur within such portion of a good life district pursuant to the Good Life Transformational Projects Act which is located within the corporate limits of a city or village.

The bill adds, after establishment of a good life district, cities and villages in which all or a portion of a the good life district is located in a addition to a good life district applicant may adjust the boundaries of the district by filing an amended map with the Department of Economic Development (DED) and updates or supplements to the application materials originally submitted by the good life district applicant to demonstrate the specified eligibility criteria will be met after the boundaries are adjusted.

The bill amends provisions connected to a city or village requesting to the DED to increase the size of the good life district.

The bill provides that after establishment of a good life district that exceeds 1,000 acres in size, but only after written approval of the city or village which includes such good life district within its boundaries or within its extraterritorial zoning jurisdiction, the good life district applicant may apply to the DED to establish development and design standards for the good life district.

The bill amends provisions connected to the termination of a good life district.

The bill provides under section 77-4411 that, notwithstanding a favorable vote to establish an economic development program, a city or village may not use eminent domain to acquire property within a good life district for the purpose of giving or selling such property to a private individual or corporation.

The bill contains the emergency clause.

The Department of Revenue (DOR) estimates that the bill may have a positive, but indeterminable impact to General Fund revenues and estimates a need for a Revenue Agent as a result of the bill. There is no basis to disagree with these estimates.

The DED estimates that responsibilities as a result of this bill can be accomplished with current resources. There is no basis to disagree with this estimate.

The Nebraska Department of Transportation estimates no impact to the Highway Trust Fund and Highway Allocation Fund. There is no basis to disagree with this estimate.

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

LB: 510	AM:	AGENCY/POLT. SUB: Department of Revenue	
REVIEWED BY: Ryan Yang		DATE: 3/17/2025	PHONE: (402) 471-4178
COMMENTS: The Department of Revenue assessment of indeterminate, but positive, fiscal impact from LB 510 appears reasonable.			

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE		
LB: 510	AM:	AGENCY/POLT. SUB: Department of Economic Development
REVIEWED BY: Ryan Yang	DATE: 2/14/25	PHONE: (402) 471-4178
COMMENTS: The Department of Economic Development assessment of indeterminate fiscal impact due to LB 510 appears reasonable.		

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

**2025**

**LB<sup>(1)</sup> 510**

**FISCAL NOTE**

State Agency OR Political Subdivision Name: <sup>(2)</sup> Department of Economic Development

Prepared by: <sup>(3)</sup> Dave Dearmont Date Prepared: <sup>(4)</sup> 2/12/25 Phone: <sup>(5)</sup> (402) 471-3777

**ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION**

	<b>FY 2025-26</b>		<b>FY 2026-27</b>	
	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>	<b><u>EXPENDITURES</u></b>	<b><u>REVENUE</u></b>
GENERAL FUNDS	<u>                    </u>	<u>                    </u>	<u>                    </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:**

LB510 would amend provisions of the Good Life Transformational Project Act and the Good Life District Economic Development Act. The bill seeks to coordinate the reduced state sales tax in a Good Life District with the imposition of a 2.75 percent sales tax or occupational tax established under the Good Life Transformational Projects Act. Further, a reduced sales tax in any Good Life District would end on July 1, 2025, unless a 2.75 percent sales tax or occupation tax established under the Good Life District Economic Development Act is in place.

The bill would also allow cities or villages containing a Good Life District, along with the applicant, to request an adjustment the boundaries of the district provided program conditions are met. Requests made by cities or villages to expand a district's area may not exceed 1,000 acres, and the total size of the district after the expansion may not exceed 2,000 acres. A city or village's request for an expansion of the district may include multiple parcels provided they are adjacent to the existing district or be within or adjacent to the existing corporate limits of the requesting city or village. The bill would also require an applicant to obtain written approval from the city or village before the applicant can apply to DED to establish development and design standards for the Good Life District.

LB510 would also make changes to DED's ability to terminate a Good Life District if the applicant deems that the project is not viable. The bill clarifies how investment is counted and the procedure for a city or landowners within a District to assume responsibilities of such an applicant. The bill would also prohibit DED from terminating a Good Life District deemed to be not viable before three years has passed since a District was established. Finally, LB510 prohibits a city or village from using eminent domain to acquire property within a Good Life District for the purpose of giving or selling such property to a private individual or corporation.

It is unclear if the sales tax provisions of LB510 would have any impact upon General Fund sales and use tax receipts. The provisions of LB510 would not materially affect the amount of time or resources required to administer the program. The provisions of LB510 can be accomplished with current resources.

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.....				

## State Agency Estimate

State Agency Name: Department of Revenue				Date Due LFO:	
Approved by: James R. Kamm				Phone: 471-5896	
Date Prepared: 03/14/2025					
FY 2025-2026		FY 2026-2027		FY 2027-2028	
Expenditures	Revenue	Expenditures	Revenue	Expenditures	Revenue
General Funds	\$64,300	Indeterminable	\$61,300	Indeterminable	\$61,300
Cash Funds					
Federal Funds					
Other Funds					
Total Funds	\$64,300	Indeterminable	\$61,300	Indeterminable	\$61,300

LB 510 amends the Good Life Transformational Projects Act to require the imposition of a local sales or occupation tax in the city or town boundaries of the good life district (GLD) before the lower state sales rate is permitted starting July 1, 2025. The legislation does not provide a notice period for imposition of the state sales tax rate.

Permits city or village where a good life district is located, in addition to the applicant, to file a request with the Nebraska Department of Economic Development (DED) to adjust the boundaries of the GLD. The adjustment request may include multiple separate parcels that are adjacent to the GLD or within or adjacent to the city or town boundaries. The request shall be subject to the same existing confidentiality restrictions.

The GLD applicant now needs approval of the host city or town to apply to DED to establish development and design standards for the GLD. DED is only permitted to terminate a GLD if the investment threshold commitments have not been met within three, seven or ten years. A GLD may not be terminated prior to three years from date of establishment. DED will accept evidence from other sources to determine if termination is warranted. The submitted evidence will be certified by the GLD applicant or city or village that contains the GLD stating that the evidence submitted represents commitments for investment in the project described in the application.

Within thirty days from the end of every calendar quarter, DED will provide a summary of the total commitments for investment received by DED and counted toward the required investment threshold to the applicant and city and town where the GLD is located until all threshold investments have been met.

Prior to a GLD termination, DED will provide written notice to all property owners in the GLD that DED intends to terminate the GLD. The property owners or city or town have ninety days to assume the role and responsibilities of the GLD applicant. Upon assumption the measurement thresholds are extended by two-hundred and seventy-five days.

A city or town may not use eminent domain to acquire property within a GLD for purpose of giving or selling the property to a private individual or corporation.

## Major Objects of Expenditure

Class Code	Classification Title	25-26 FTE	26-27 FTE	27-28 FTE	25-26 Expenditures	26-27 Expenditures	27-28 Expenditures
X29222	Revenue Agent	1.0	1.0	1.0	\$44,600	\$46,100	\$46,100
Benefits.....					\$14,700	\$15,200	\$15,200
Operating Costs.....							
Travel.....							
Capital Outlay.....					\$5,000		
Capital Improvements.....							
<b>Total.....</b>					<b>\$64,300</b>	<b>\$61,300</b>	<b>\$61,300</b>

It is estimated that this bill will have may have a positive but indeterminable impact on General Fund revenues.

The Department of Revenue will need one Agent level FTE to implement this bill.

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Department of Transportation

Prepared by: <sup>(3)</sup> Jenessa Boynton

Date Prepared: <sup>(4)</sup> 3/17/2025

Phone: <sup>(5)</sup> 402-479-4691

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:  
Beginning July 1, 2025, LB 510 would require cities and villages with a good life district to impose a sales tax or occupation tax equal to at least two and three-quarters percent on transaction occurring within the portion of a good life district within their corporate limits before the state sales tax rate would be adjusted to two and three-quarters percent.

Based on information provided by the Department of Revenue, this bill may have a positive but indeterminable impact on General Fund revenues. No impact on Build Nebraska Act revenues for NDOT and Highway Allocation Fund revenues for cities and counties is anticipated.

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.....				