PREPARED BY: DATE PREPARED: PHONE: John Wiemer February 12, 2024 402-471-0051

**LB 1228** 

Revision: 00

## **FISCAL NOTE**

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 202	24-25	FY 2025-26				
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS		See Below		See Below			

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

LB 1228 would make changes to the Good Life Transformational Projects Act.

The bill defines the term qualified inland port district.

The bill would add that no more than five good life districts could be created statewide. It would also add that no more than one good life district could be created in any county with a population of 500,000 inhabitants or more, excluding any good life district created within a qualified inland port district.

The bill would make changes to the eligibility criteria for good life district applicants. Students from another state who attend a Nebraska public or private university could not be counted as out-of-state residents regarding the requirements to out-of-state resident sales. An applicant would not be eligible if the project received funds pursuant to the Shovel-Ready Capital Recovery and Investment Act or the Economic Recovery Act, except that would not apply to any project located in a qualified inland port district, or if the project includes any portion of a public or private university. The bill would also create a change to the size requirement of a good life district so that a good life district created within a qualified inland port district could not exceed the size of the qualified inland port district.

The Department of Revenue (DOR) estimates the impact on General Fund and Cash Fund revenues to be contingent upon the number and locations of future good life projects. This impact would be a negative impact to the funds due to the reduced state sales tax rate of 2.75% within the districts. In addition to the impact to the General Fund, the Cash Funds that would be negatively impacted would be the Highway Trust Fund and the Highway Allocation Fund, which is distributed to cities and counties.

Additionally, the DOR estimates minimal costs to it as a result of the bill.

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

The Department of Economic Development estimates regarding their agency that the changes under this bill could be accomplished with current resources. There is no basis to disagree with this estimate.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 1228	3: 1228 AM: AGENCY/POLT. SUB: Department of Revenue					
REVIEWED BY	∕: Neil Sullivan	DATE: 2/9/2024	PHONE: (402) 471-4179			
COMMENTS: The Department of Revenue assessment of indeterminate fiscal impact from LB 1228 appears reasonable.						

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE						
LB: 1228	.B: 1228 AM: AGENCY/POLT. SUB: Department of Economic Development					
REVIEWED BY:	Neil Sullivan	DATE: 2/8/2024	PHONE: (402) 471-4179			
COMMENTS: The Department of Economic Development assessment of no fiscal impact from LB 1228 appears reasonable.						

Capital improvements......

TOTAL.....

<b>LB</b> (1)	1228	3					FISCAL NOTE
State Age	ency OR I	Political Subdivision Name:	Nebras	ska Departmei	nt of Econo	mic Develop	ment
Prepare	d by: <sup>(3)</sup>	Dave Dearmont	Date	Prepared: (4) 2/	/7/2024	Phone: (5)	402-471-3777
		ESTIMATE PRO	VIDED BY S	TATE AGENCY	OR POLITI	CAL SUBDIVIS	SION
		<u>I</u>	TY 2024-25			FY 202	25-26
		<b>EXPENDITUR</b>	ES	<u>REVENUE</u>	EXPENI	<u>DITURES</u>	<u>REVENUE</u>
GENER	AL FUN	DS	<u> </u>				
CASH F	UNDS						
FEDER.	AL FUN	DS					
OTHER	FUNDS						
TOTAL	FUNDS	<u> </u>	_	_			
the Munbill limits life districts; counted eligible t Investmedistrict; and a goport district district; and a goport district district; and a goport district district district and a goport district dis	icipal In the nur ct create cation for out-of-section as out-of-section Act of a project cood life of rict.	bill defines a qualified land Port Authority Act mber of good life district ed within a qualified inlor a good life district as state residents who are of-state visitors for purpood life district if it record the Economic Record to the Economic Record to the five available mandar. DED has approved the state of the five available mandar. DED has approved the state of the five available mandar. DED has approved the state of the five available mandar. DED has approved the state of the five available mandar. DED has approved the state of the five available mandar. DED has approved the state of the five available mandar. DED has approved the state of t	that is local trists created stand port distant port distant port distant port distant port distant posses of conceives fundingery Act—extended the qualified in the distant pood mplished by	ted within a city statewide to five strict. Section 3 application car who attend a Neunting visitors on a pursuant to the except if the project if it includes land port district if it includes and port district if it includes and port authority life districts, or	of the metre, with only amends the not exceed braska public sales at given sales at given sales at given she Shovel-Fect is located any porticat may not busines have been end which arrent resources.	opolitan class one in Omaha e qualifications the maximum lic or private usod life districted inside a qualification of a public e larger than the mapproved lis in Omaha.	"." Section 2 of the a, excluding a good is for DED to approve a number of good life inversity cannot be a project is not Recovery and alified inland port or private university; the qualified inland
Personal	Services		WIN DI MIA	JOR OBJECTS O	T EXI ENDI	TUKE	
		TION TITLE	NUMBER C 24-25	OF POSITIONS  25-26		24-25 DITURES	2025-26 EXPENDITURES
Operation	ng						

**LB 1228** Fiscal Note 2024

State Agency Estimate								
State Agency Name: Department of	of Revenue		Date Due LFO:					
Approved by: James R. Kamm		Date Prepared:	: 02/09/2024 Phone: 471-5896					
FY 202		<u>-2025</u>	FY 2025-2026		FY 2026-2027			
	<b>Expenditures</b>	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue		
General Funds		See Below		See Below		See Below		
Cash Funds		See Below		See Below		See Below		
Federal Funds								
Other Funds		See Below		See Below		See Below		
Total Funds		See Below		See Below		See Below		

LB 1228 provides that no more than five good life districts (GLD) may be created statewide. It also provides that only one GLD may be created in a county with a population of 500,000 or more, excluding any GLD created within a qualified inland port district. The only county in Nebraska with a population of more than 500,000 is Douglas County as of the 2020 Census. The bill also defines a qualified inland port district.

Even though LB 1228 limits the number of GLD projects that can be created, the fiscal impact on the General Fund and Cash Funds remains unknown and contingent upon the number and locations of future qualifying GLD projects.

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

Major Objects of Expenditure								
Class Code	Classification Title	24-25 <u>FTE</u>	25-26 <u>FTE</u>	26-27 <u>FTE</u>	24-25 Expenditures	25-26 Expenditures	26-27 Expenditures	
Benefits Operating Costs								
Travel								
Capital Outlay Capital Improvements.								
Total								