PREPARED BY: DATE PREPARED: PHONE: Samuel Malson April 26, 2021 402-471-0051

LB 156

Revision: 02

FISCAL NOTE

Updated to reflect amendments adopted through April 20, 2021.

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT - STATE AGENCIES (See narrative for political subdivision estimates)							
	FY 2021-22 FY 2022-23						
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE			
GENERAL FUNDS							
CASH FUNDS							
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS							

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

As amended, LB156 Establishes the Municipal Inland Port Authority Act. The bill details the powers and duties of an Inland Port Authority as well as the processes and requirements related to establishing and operating an authority. An authority established under the act may accept appropriations, including funds appropriated by the Legislature pursuant to 81-12,146.

Legislative *intent* is established to transfer \$5 million from the General Fund to the Department of Economic Development (DED) administered Site and Building Development Fund (fund established by 81-12,146) in FY23, and again in FY24. The transferred funds would be earmarked for use by the DED to provide financial assistance to large shovel-ready commercial and industrial sites developed under the act. In the event a transfer is authorized pursuant to the intent language, a General Fund loss of \$5 million would be present in FY23 and, again in FY24.

The DED would also have the responsibility to review proposed inland port authorities and determine if certain criteria are met that to enable the formal creation of the inland port authority. Additionally, the DED *may* adopt and promulgate rules and regulations relating to their responsibilities.

The DED indicates a 0.5 FTE would be required each fiscal year to fulfill their responsibilities under the act (i.e. reviewing proposals, issuing financial assistance, & promulgating and adopting rules and regulations). It is not disputed that the DED will see an increase in workload. However, it does not appear the increase in workload necessitates an increase in the agencies appropriation for operations when also considering the agency appropriation and salary limit for Program 603 compared to historical expenditures (while also accounting for adjustments during the 2021-23 biennial budget request process).

The Department of Revenue, Department of Labor, and Worker's Compensation Court do not anticipate a fiscal impact.

ADMINISTRA	ATIVE SE	RVICES	STATE BUDGET DIVISION: REVIEW OF AGENC	CY & POLT. SUB. RESPONSE		
LB: 156	AM:	956	AGENCY/POLT. SUB: Nebraska Departm	ent of Economic Development		
REVIEWED BY:	Jacob I	Leaver	DATE: 04/22/2021	PHONE: (402) 471-4173		
COMMENTS: No basis to disagree with the Nebraska Department of Economic Development's estimate of fiscal impact to the agency as a result of LB 156 AM 956.						

ADMINIS	STRATIVE SERVICES	STATE BUDGET DIVISION: REVIEW OF AGENCY	& POLT. SUB. RESPONSE				
LB: 156	AM: 956	AGENCY/POLT. SUB: Department of Reve	nue				
REVIEWED E	BY: Jacob Leaver	DATE: 04/23/2021	PHONE: (402) 471-4173				
COMMENTS:	COMMENTS: No basis to dispute with the Department of Revenue's estimate of no fiscal impact as a result of LB 156.						

ADMINIST	RATIVE SERVICES STA	ATE BUDGET DIVISION: REVIEW OF AGENC	CY & POLT. SUB. RESPONSE			
LB: 156	AM: 956	AGENCY/POLT. SUB: Nebraska Dep	artment of Labor			
REVIEWED BY	: Jacob Leaver	DATE: 04/23/2021	PHONE: (402) 471-4173			
COMMENTS: No basis to dispute the Nebraska Department of Labor's estimate of no fiscal impact to the agency as a result of LB 156 AM 956						

ADMINISTR	ATIVE SERVICES	STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE
LB: 156	AM: 956	AGENCY/POLT. SUB: Nebraska Workers' Compensation Court
REVIEWED BY:	Jacob Leaver	DATE: 04/21/2021 PHONE: (402) 471-4173
COMMENTS: No result of LB 156 A	•	vith the Nebraska Workers' Compensation Court estimate of no fiscal impact as a

LB 156 AM 956 Fiscal Note 2021

	State Agency	Estimate			
Revenue				Date Due LFO:	
	Date Prepared:	4/22/2021		Phone: 471-5896	
FY 202	1-2022	FY 2022	2-2023	FY 2023	3-2024
Expenditures	Revenue	Expenditures	Revenue	<u>Expenditures</u>	Revenue
ĺ	\$ 0		\$ 0		\$ 0
	\$ 0		\$ 0		\$ 0
	FY 202	Revenue Date Prepared: FY 2021-2022 Expenditures Revenue \$ 0	Date Prepared: 4/22/2021 FY 2021-2022 Expenditures Revenue \$ 0 Expenditures	Date Prepared: 4/22/2021 FY 2021-2022 FY 2022-2023 Expenditures Revenue Expenditures Revenue \$0 \$0 \$0	Revenue Date Due LFO: Date Prepared: 4/22/2021 Phone: 471-5896 FY 2021-2022 FY 2022-2023 FY 2022-2023 Expenditures Revenue Expenditures \$0 \$0 \$0 \$0 \$0 \$0

AM 956 clarifies several aspects of LB 156, which allows the creation of up to five Inland Port Authorities in Nebraska. The proposed amendment:

- 1. Adds a new section to the bill allowing the Department of Economic Development (DED) to adopt regulations governing the Site and Building Fund Development Act;
- 2. Provides that DED is to assure that a proposed Inland Port Authority meets the criteria before determining if the proposal exceeds the limit;
- 3. Grants the power to an Inland Port Authority to construct buildings and charge fees for services;
- 4. Allows sales and leases of property to be pledged to service revenue bonds;
- 5. Allows the Inland Port Authority to pay taxes with respect to Workers Compensation and Unemployment Insurance; and
- 6. Allows transfers into the Site and Buildings Development Fund as well as appropriations.

It is estimated that this bill as amended will have no impact on General Fund revenues.

It is estimated that there will be no costs to the Department of Revenue to implement this bill.

Major Objects of Expenditure								
Class Code	Classification Title	21-22 <u>FTE</u>	22-23 <u>FTE</u>	23-24 <u>FTE</u>	21-22 Expenditures	22-23 Expenditures	23-24 Expenditures	
Benefits					I.			
Operating Costs								
Capital Outlay								
	Capital Improvements.							

LB ⁽¹⁾ LB156 Al	M956			FISCAL NOTE			
State Agency OR Political	Subdivision Name: (2)	Nebraska Department of Economic Development					
Prepared by: (3) Antho	ony Goins	Date Prepared: (4)	Prepared: (4) 4/21/2021 Phone: (5)				
	ESTIMATE PROVID	DED BY STATE AGEN	CY OR POLITICAL SUBDIVIS	SION			
	FY 9	2021-22	FY 202	2-23			
	EXPENDITURES	REVENUE	<u>EXPENDITURES</u>	REVENUE			
GENERAL FUNDS	\$41,600		\$42,640	(\$5,000,000)			
CASH FUNDS			5,000,000	\$5,000,000			
FEDERAL FUNDS							
OTHER FUNDS							
TOTAL FUNDS	\$41,600		\$5,42,640	<u>\$0</u>			

Explanation of Estimate:

LB 156, as amended by AM956, would establish the Municipal Inland Port Authority Act. The bill would allow inland port districts to be established.

LB156 would permit Inland port authorities to establish a foreign trade zone under federal law; acquire, sell, and lease property; construct buildings, infrastructure, and intermodal facilities; operate intermodal facilities; and issue revenue bonds. As amended, the LB156 does not give the port authority the power to levy any taxes. The authority is exempted from most taxes or assessments to the State of Nebraska or any political subdivision of the state, except for Workers' Compensation taxes and payments in lieu of contributions required under the Employment Security Law. The bill as amended contains intent language for the transfer of \$5 million from the General Fund to a newly created subaccount in DED's Site and Building Development Fund in FY2022-23 and FY2023-24. These funds are to be earmarked for use to finance large shovel-ready commercial and industrial sites developed under the act.

DED's responsibilities under LB156, as amended by AM956, are to review the applications and certify the first five applications that meet the requirements outlined in Section 4(1), (2) and (3); promulgate rules and regulations for certifying inland port authorities and distributing aid under the act; and; create a subaccount in the Site and Building Development Fund for disbursing these funds for shovel-ready commercial and industrial sites and disburse those funds. These additional tasks will require the services of 0.5 FTE of an Economic Development Business Consultant.

BREAKDO	OWN BY MAJO	OR OBJECTS OF	EXPENDITURE	
Personal Services:				
	NUMBER OF	POSITIONS	2021-22	2022-23
POSITION TITLE	<u>21-22</u>	<u>22-23</u>	EXPENDITURES	EXPENDITURES
A49310 ED Business Consultant	0.5	0.5	\$29,710	\$30,460
Benefits			11,890	12,180
Operating				
Travel				
Capital outlay				
Aid				
Capital improvements				
TOTAL			\$41,600	\$42,640

State Agency OR Political Subdivision Name: (2) Prepared by: (3) Jill Gradwohl Schroeder Date Prepared: (4) April 21, 2021 Phone:	
Prepared by: (3) Jill Gradwohl Schroeder Date Prepared: (4) April 21, 2021 Phone:	
	(402) 471-3602
ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIV	ISION
<u>FY 2021-22</u> <u>FY 20</u>	<u>922-23</u>
EXPENDITURES REVENUE EXPENDITURES	<u>REVENUE</u>
GENERAL FUNDS	
CASH FUNDS	
FEDERAL FUNDS	
OTHER FUNDS	
TOTAL FUNDS	
Explanation of Estimate:	
BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE	
Personal Services	
Personal Services: POSITION TITLE NUMBER OF POSITIONS 2021-22 21-22 22-23 EXPENDITURES	2022-23 EXPENDITURES
POSITION TITLE NUMBER OF POSITIONS 2021-22 21-22 22-23 EXPENDITURES	
POSITION TITLE NUMBER OF POSITIONS 2021-22 21-22 22-23 EXPENDITURES Benefits	
POSITION TITLE NUMBER OF POSITIONS 2021-22 21-22 22-23 EXPENDITURES	
POSITION TITLE NUMBER OF POSITIONS 2021-22 21-22 22-23 EXPENDITURES Benefits Operating	
POSITION TITLE NUMBER OF POSITIONS 2021-22 21-22 22-23 EXPENDITURES Benefits Operating Travel	
POSITION TITLE NUMBER OF POSITIONS 2021-22 21-22 22-23 EXPENDITURES Benefits Operating Travel Capital outlay	

TOTAL.....

LB ⁽¹⁾ 156 AM956			FISCAL NOTE
State Agency OR Political Subdivision Name: (2)	Nebraska Departn	nent of Labor	
Prepared by: (3) Katie Thurber	Date Prepared: (4)	4-21-2021	Phone: (5) 402-471-9912
ESTIMATE PROVI	DED BY STATE AGENC	CY OR POLITICAL S	UBDIVISION
<u>FY</u> EXPENDITURES	2021-22 <u>REVENUE</u>	<u>EXPENDITU</u>	<u>FY 2022-23</u> RES REVENUE
GENERAL FUNDS			
CASH FUNDS			
FEDERAL FUNDS	-	-	
OTHER FUNDS			
TOTAL FUNDS			
<u>BREAKDOV</u> Personal Services:	WN BY MAJOR OBJECT	S OF EXPENDITUR	<u>RE</u>
	TUMBER OF POSITIONS 21-22 22-23	S 2021-22 EXPENDITU	RES EXPENDITURES
Benefits			
Operating			<u> </u>
Travel			
Capital outlay			
Aid			
Capital improvements			