

Revised for AM3104

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

| <b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)</b> |                     |                |                     |                |
|---|---------------------|----------------|---------------------|----------------|
|   | <b>FY 2024-25</b>   |                | <b>FY 2025-26</b>   |                |
|   | <b>EXPENDITURES</b> | <b>REVENUE</b> | <b>EXPENDITURES</b> | <b>REVENUE</b> |
| GENERAL FUNDS   |                     |                |                     |                |
| CASH FUNDS  | \$46,270,000        | See below      | \$10,750,000        | See below      |
| FEDERAL FUNDS   |                     |                |                     |                |
| OTHER FUNDS   |                     |                |                     |                |
| TOTAL FUNDS   | \$46,270,000        | See below      | \$10,750,000        | See below      |

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

LB164 is amended by AM3104, which strikes the original text and prior amendments and replaces it.

AM3104 makes the following amendments to the Municipal Inland Port Authority Act:

- Amends the definition of inland port district to include innovation districts, innovation hubs, and describes innovation districts and innovation hubs;
- Restricts the amount of inland port districts that may be designated within the boundaries of a city of a metropolitan class to one;
- Places the following requirements on an inland port authority within the boundaries of a city of the metropolitan class:
  - o The creation and operation of an innovation district;
  - o Organize and conduct quarterly public input meetings, describes the meetings;
  - o Conducting an annual community survey, describes the survey;
  - o Restricts the grant funds received via the State Treasurer to be spend within the boundaries of the inland port district;
  - o Provide oversight over any iHub within its boundaries;
  - o Create and maintain a community advisory committee, describes the membership;
  - o To hire a consultant within a year to create a vision of the inland port district;
  - o Within three years of receipt of grant funds construct 20 single family homes and a minimum of 150 new housing units;
- Describes the membership of an inland port authority that is created by a city of the metropolitan class;
- Requires members of an inland port authority that is created by a city of the metropolitan class to reside in the city or county that created the authority;
- Allows for a public official to serve as a commissioner of an inland port authority;
- Restricts an individual from serving as a commissioner or employee of an inland port authority if the individual or a family member of the individual owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, company, or other entity, other than a political subdivision, that received any financial benefit through any funding provided from a grant awarded pursuant to subdivision (4)(a) of section 81-12,241 (business park development grants);
- Creates the Inland Port Authority Fund (IPAF), places the fund within the State Treasurer for issuing grants to an inland port authority within the city of the metropolitan class;
- Shifts transfers of interest related to the American Rescue Plan Act and the interest from funds related to the construction of a new state prison from the Economic Recovery Contingency Fund (ERCF) to IPAF beginning July 1, 2024 through June 30, 2026;
- Allows an inland port authority within the boundaries of a city of the metropolitan class to apply to the State Treasurer for grants under the Municipal Inland Port Authority Act, requires the grant application form to only include the amount of grant funds requested for each grant and a certified copy of the approved city ordinance creating such inland port authority;
- Clarifies that the changes made by this bill apply to any inland port authority existing prior to, on, or after the operative date of this section of the act.

AM3104 makes the following amendments to the duties of the Game and Parks Commission:

- Requires the Commission to construct, develop, and manage a museum at Fort Robinson State Park;
- Creates intent to appropriate not more than \$7,000,000 for fiscal year 2025-26 from the Museum Construction and Maintenance Fund; and
- Allows the Commission to execute a memorandum of understanding or contract with the Nebraska State Historical Society for purposes of museum development, exhibit fabrication, and historical interpretation at Fort Robinson State Park.

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AM3104 makes the following amendments to the Rural Projects Act:

- Includes a definition for inland port authority under the act;
- Includes any funding and other resources directed toward the project by a city, county, or public utility as an investment;
- Amends the definition of project to include transportation infrastructure;
- Allows for sale of any or all part of the project upon approval of the Director of DED to a city, county, or public utility for the purpose of public works infrastructure, including, but not limited to, stormwater management, or an inland port authority for the purpose of developing, operating, or managing an inland port district located at the site of such project; and
- Clarifies that if the sale is to an inland port authority it furthers the goals of both the Rural Projects Act and the Municipal Inland Port Authority Act.

Amends the Economic Recovery Act in the following ways:

- Under the release of funds under the business park provision, requires that before the release of grant funds:
  - o Each recipient attend all four meetings of the community advisory committee created under the inland port authority provisions of the amendment;
  - o Requires each grant recipient to establish a distinct bank account exclusively for the management of grant funds received, requires the funds received to be used for the development of the business park for a minimum of fifteen years;
  - o Not release any funds other than the planning grant to any recipient under this subdivision until:
    - The division receives a ten-year pro-forma from the grantee;
    - The grantee holds two public input meetings to receive public input;
    - A letter of support is received from the inland port authority managing the inland port district in which the business park is located.
- Allows DED to assign any grant or contract under the act to a city of the metropolitan class or to an inland port authority located within the city;
- Requires the State Treasurer to transfer \$30,000,000 from the ERCF to the IPAF no later than five business days after the operating day of the act;
- Creates a transfer of any unobligated ERCF funds on July 31, 2026 to the IPAF; and
- Transfers \$7,000,000 from the ERCF to the Museum Construction and Maintenance Fund on or after January 1, 2026 but before June 30, 2026.

Amends the duties of the State Treasurer to include awarding grants under the Municipal Inland Port Authority Act.

For provisions of the Economic Recovery Act and Municipal Inland Port Authority Act, interest estimates are as follows:

| FISCAL YEARS | PERKINS INTEREST | PRISON INTEREST | ARPA INTEREST |
|--------------|------------------|-----------------|---------------|
| 2024-25      | \$18,600,000     | \$3,170,000     | \$13,100,000  |
| 2025-26      | \$17,400,000     | \$1,250,000     | \$9,500,000   |
| TOTAL        | \$36,000,000     | \$4,420,000     | \$22,600,000  |

Total projects within the Economic Recovery Act are \$388,420,003, including new obligations related to the Fort Robinson State Park Museum which will be funded via a transfer from the ERCF. We project that funding should be sufficient to meet obligations under the act, however the timing and amounts of investment earnings are subject to future investment return rates and expenditure rates of the principal balances of cash fund accounts. Prison interest earnings and ARPA interest earnings will be diverted to the IPAF, which is obligated to contract for a consultant within one year and to build twenty single family homes and a total of 150 housing units within three years. The inland port authority within a city of the metropolitan class would be a political subdivision of the state which has not yet been formed, and as such costs relating to the operations of such inland port authority are difficult to ascertain.

The cash fund appropriations related to the ERCF are contained within the mid-biennium budget adjustment, there will need to be an appropriation of cash funds to the State Treasurer of \$46,270,000 in FY2024-25 and \$10,750,000 in FY2025-26 to accommodate the issuance of grants to the Inland Port Authority.

AM3104 includes the Child Care Capacity Building and Workforce Act which does the following:

- Declares findings of the Legislature;
- Sets definitions;
- Creates the Child Care Capacity Building and Workforce Grant Program which does the following:
  - o Requires DED to contract with a statewide organization to administer the program and allows up to five percent of the money appropriated to DED each fiscal year to be reserved for such contract;
  - o Creates duties for the statewide organization;
  - o Requires DED to award grants;
  - o Sets priorities under the grant award process;
  - o Requires an applicant to fill out a form prescribed by the statewide organization and provide for a one-to-one match for the grant, describes the form; and
  - o Lists eligible uses of the grant.

- Creates the Family Child Care Home Grant Program which does the following:
  - o Requires DED to provide grants for new and existing licenses family child care home programs in residential and nonresidential facilities and to create regional facilitator hubs;
  - o Allows any licensed child care provider, nonprofit organization, for-profit organization, community foundation, school, or regional facilitator hub or any other entity specified in rules and regulations adopted and promulgated;
  - o Places requirements on the use of the grant;
  - o Requires DED to submit a report to the Legislature on July 1, 2025 and each July 1 thereafter, enumerates what is to be in the report;
- Creates the Child Care Capacity Building and Workforce Cash Fund; and
- Limits the total amount of grants awarded under the Child Care Capacity Building and Workforce Act to be subject to the appropriation from said fund.

There is no transfer to the fund or from the fund in the provision. No fiscal impact for this section.