

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2024-25		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	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	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.			

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

2024

LB⁽¹⁾ 1228

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Department of Economic Development

Prepared by: ⁽³⁾ Dave Dearmont Date Prepared: ⁽⁴⁾ 2/7/2024 Phone: ⁽⁵⁾ 402-471-3777

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	FY 2024-25		FY 2025-26	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	_____	_____	_____	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate:

LB1228 would make several changes to the Good Life Transformational Projects Act.

Section 1 of the bill defines a *qualified inland port district* as meaning “an inland port district created pursuant to the Municipal Inland Port Authority Act that is located within a city of the metropolitan class.” Section 2 of the bill limits the number of good life districts created statewide to five, with only one in Omaha, excluding a good life district created within a qualified inland port district. Section 3 amends the qualifications for DED to approve an application for a good life district as follows: an application cannot exceed the maximum number of good life districts; out-of-state residents who are students who attend a Nebraska public or private university cannot be counted as out-of-state visitors for purposes of counting visitors or sales at good life districts; a project is not eligible to be a good life district if it receives funding pursuant to the Shovel-Ready Capital Recovery and Investment Act or the Economic Recovery Act—except if the project is located inside a qualified inland port district; a project is not eligible to be a good life district if it includes any portion of a public or private university; and a good life district created within a qualified inland port district may not be larger than the qualified inland port district.

Currently, three of the five available municipal inland port authorities have been approved by DED, and none of these are in Omaha. DED has approved two good life districts, one of which is in Omaha.

The provisions of LB1228 can be accomplished by DED within current resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

POSITION TITLE	NUMBER OF POSITIONS		2024-25	2025-26
	24-25	25-26	EXPENDITURES	EXPENDITURES
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____

