

E AND R AMENDMENTS TO LB 160

Introduced by Slama, 1, Chairman Enrollment and Review

1           1. Strike the original sections and all amendments thereto and  
2 insert the following new sections:

3           Section 1. Section 18-2705, Revised Statutes Cumulative Supplement,  
4 2018, is amended to read:

5           18-2705 (1) Economic development program means any project or  
6 program utilizing funds derived from local sources of revenue for the  
7 purpose of providing direct or indirect financial assistance to a  
8 qualifying business or the payment of related costs and expenses or both,  
9 without regard to whether that business is identified at the time the  
10 project or program is initiated or is to be determined by specified means  
11 at some time in the future.

12           (2) An economic development program may include, but shall not be  
13 limited to, the following activities: Direct loans or grants to  
14 qualifying businesses for fixed assets or working capital or both; loan  
15 guarantees for qualifying businesses; grants for public works  
16 improvements which are essential to the location or expansion of, or the  
17 provision of new services by, a qualifying business; grants or loans to  
18 qualifying businesses for job training; the purchase of real estate,  
19 options for such purchases, and the renewal or extension of such options;  
20 grants or loans to qualifying businesses to provide relocation incentives  
21 for new residents; the issuance of bonds as provided for in the Local  
22 Option Municipal Economic Development Act; and payments for salaries and  
23 support of city staff to implement the economic development program or  
24 the contracting of such to an outside entity.

25           (3) For cities of the first class, cities of the ~~and~~ second class,  
26 and villages, an economic development program may also include grants or  
27 loans for the construction or rehabilitation for sale or lease of housing

1 for persons of low or moderate income.

2 (4) For cities of the first class, cities of the ~~and~~ second class,  
3 and villages, an economic development program may also include grants,  
4 loans, or funds for rural infrastructure development as defined in  
5 section 66-2102.

6 (5) For cities of the first class, cities of the ~~and~~ second class,  
7 and villages, an economic development program may also include grants or  
8 loans for the construction or rehabilitation for sale or lease of housing  
9 as part of a workforce housing plan.

10 (6) For cities of the first class, cities of the second class, and  
11 villages, an economic development program may also include grants, loans,  
12 or funds for early childhood infrastructure development. For purposes of  
13 this subsection, early childhood infrastructure development means  
14 planning, financing, developing, acquiring, constructing, owning,  
15 operating, evaluating, or maintaining an early childhood education  
16 program of recognized quality or entering into any agreement with an  
17 existing early childhood education program to address early childhood  
18 education shortages that impair the ability of the city to attract new  
19 businesses or that impair the ability of existing businesses to recruit  
20 new employees.

21 (7) ~~(6)~~ An economic development program may be conducted jointly by  
22 two or more cities after the approval of the program by the voters of  
23 each participating city.

24 Sec. 2. Section 18-2709, Revised Statutes Cumulative Supplement,  
25 2018, is amended to read:

26 18-2709 (1) Qualifying business means any corporation, partnership,  
27 limited liability company, or sole proprietorship which derives its  
28 principal source of income from any of the following: The manufacture of  
29 articles of commerce; the conduct of research and development; the  
30 processing, storage, transport, or sale of goods or commodities which are  
31 sold or traded in interstate commerce; the sale of services in interstate

1 commerce; headquarters facilities relating to eligible activities as  
2 listed in this section; telecommunications activities, including services  
3 providing advanced telecommunications capability; tourism-related  
4 activities; or the production of films, including feature, independent,  
5 and documentary films, commercials, and television programs.

6 (2) Qualifying business also means:

7 (a) In cities of the first class, cities of the ~~and~~ second class,  
8 and villages, a business that derives its principal source of income from  
9 the construction or rehabilitation of housing;

10 (b) In cities of the first class, cities of the second class, and  
11 villages, a business that derives its principal source of income from  
12 early childhood care and education programs;

13 (c) ~~(b)~~ A business that derives its principal source of income from  
14 retail trade, except that no more than forty percent of the total revenue  
15 generated pursuant to the Local Option Municipal Economic Development Act  
16 for an economic development program in any twelve-month period and no  
17 more than twenty percent of the total revenue generated pursuant to the  
18 act for an economic development program in any five-year period,  
19 commencing from the date of municipal approval of an economic development  
20 program, shall be used by the city for or devoted to the use of retail  
21 trade businesses. For purposes of this subdivision, retail trade means a  
22 business which is principally engaged in the sale of goods or commodities  
23 to ultimate consumers for their own use or consumption and not for  
24 resale; and

25 (d) ~~(c)~~ In cities with a population of two thousand five hundred  
26 inhabitants or less as determined by the most recent federal decennial  
27 census or the most recent revised certified count by the United States  
28 Bureau of the Census, a business shall be a qualifying business even  
29 though it derives its principal source of income from activities other  
30 than those set out in this section.

31 (3) If a business which would otherwise be a qualifying business

1 employs people and carries on activities in more than one city in  
2 Nebraska or will do so at any time during the first year following its  
3 application for participation in an economic development program, it  
4 shall be a qualifying business only if, in each such city, it maintains  
5 employment for the first two years following the date on which such  
6 business begins operations in the city as a participant in its economic  
7 development program at a level not less than its average employment in  
8 such city over the twelve-month period preceding participation.

9 (4) A qualifying business need not be located within the territorial  
10 boundaries of the city from which it is or will be receiving financial  
11 assistance.

12 (5) Qualifying business does not include a political subdivision, a  
13 state agency, or any other governmental entity, except as allowed for  
14 cities of the first class, cities of the ~~and~~ second class, and villages  
15 for rural infrastructure development as provided for in subsection (4) of  
16 section 18-2705.

17 Sec. 3. Original sections 18-2705 and 18-2709, Revised Statutes  
18 Cumulative Supplement, 2018, are repealed.

19 2. On page 1, line 4, strike "quality".