

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB40

Hearing Date: Thursday February 18, 2021
Committee On: Revenue
Introducer: Groene
One Liner: Adopt the Nebraska Rural Projects Act

Roll Call Vote - Final Committee Action:

Advanced to General File with amendment(s)

Vote Results:

Aye: 7 Senators Albrecht, Briesse, Flood, Friesen, Lindstrom, Linehan, Pahls
Nay:
Absent:
Present Not Voting: 1 Senator Bostar

Oral Testimony:

Proponents:

Senator Mike Groene
Gary Person
Christopher Bruns
Christy Abraham
Jon Cannon
Bill Hawkins
Gary Person

Representing:

Introducer
North Platte Chamber & Development Corp
Lincoln County Commissioners
League of Nebraska Municipalities
NACO
Nebraska Hemp Company
Nebraska Economic Developers Association

Opponents:

Representing:

Neutral:

Representing:

Submitted Written Testimony:

Proponents:

Camdyn Kavan
Zane Francescato
Gary Person

Representing:

OpenSky Policy Institute
Seward County Chamber & Development Partnership
Nebraska Chamber of Commerce and Industry

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 40 creates the Nebraska Rural Projects Act ("the Act").

The Act is intended to provide state matching funds for the development of a new industrial rail access business park in counties with a population of less than 100,000. Applicants must file an application with the Director of the Department of Economic Development no later than December 31, 2022, in order to qualify.

"Applicant resources" means funds that are donated specifically for a project from an individual, a 501(c) organization, or any nongovernmental organization and any direct or indirect funding for a project from any federal, state or local government, excluding the matching funds received under the Act.

A project is defined as expenses incurred or to be incurred at one qualified location for site acquisition and preparation, utility extensions and rail spur construction for the new business park. This includes expenses incurred to assist an initial tenant that conducts business in the manufacturing, processing, distribution, or transloading trades.

Agreements under the Act may not last more than five years after the date of application. Matching funds are to be disbursed on an annual basis and in the order in which the applications are received. Applicants must document resources received for the project but are not required to disclose the names of private donors.

Matching funds are to be a dollar-for-dollar match for the total investment made by the applicant by the end of the transformational period, which is the time from the date of application through the end of the 5th year after the year of application. Applicants must pay a nonrefundable \$1,000 application fee.

Total matching funds under the Act are capped at \$10 million. The bill also contains reporting requirements for the applicant, recapture provisions, auditing requirements and an annual report from the director, who is also required to present the report to a joint hearing of the Appropriations and Revenue Committees.

Explanation of amendments:

The Committee voted to amend AM360

8 Yes - Linehan, Lindstrom, Albrecht, Bostar, Briese, Flood, Friesen, Pahls

The Committee voted to adopt AM360 as amended to LB40

7 Yes - Linehan, Lindstrom, Albrecht, Briese, Flood, Friesen, Pahls

1 Present Not Voting - Bostar

The amendments change the dollar match for the two grant levels from \$3 to \$2 and \$10 to \$5 and changes the maximum amount to be paid for any one project from \$40 million to \$30 million.

Lou Ann Linehan, Chairperson