

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 566

FINAL READING

Introduced by McDonnell, 5.

Read first time January 19, 2021

Committee: Appropriations

- 1 A BILL FOR AN ACT relating to economic development; to adopt the Shovel-
- 2 Ready Capital Recovery and Investment Act; to authorize grants as
- 3 prescribed; to create a fund; and to declare an emergency.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 8 of this act shall be known and may be
2 cited as the Shovel-Ready Capital Recovery and Investment Act.

3 Sec. 2. The purpose of the Shovel-Ready Capital Recovery and
4 Investment Act is to partner with the private sector by providing grants
5 to qualified nonprofit organizations to assist such organizations with
6 capital projects that have been delayed due to COVID-19 and that will
7 provide a positive economic impact in the State of Nebraska.

8 Sec. 3. For purposes of the Shovel-Ready Capital Recovery and
9 Investment Act:

10 (1) Capital project means a construction project to build, expand,
11 or develop a new or existing facility or facilities or restoration work
12 on a facility designated as a National Historic Landmark;

13 (2) Cost, in the context of a capital project, means the cost of
14 land, engineering, architectural planning, contract services,
15 construction, materials, and equipment needed to complete the capital
16 project;

17 (3) COVID-19 means the novel coronavirus identified as SARS-CoV-2,
18 the disease caused by the novel coronavirus SARS-CoV-2 or a virus
19 mutating therefrom, and the health conditions or threats associated with
20 the disease caused by the novel coronavirus SARS-CoV-2 or a virus
21 mutating therefrom;

22 (4) Department means the Department of Economic Development;

23 (5) Qualified nonprofit organization means a tax-exempt organization
24 under section 501(c)(3) of the Internal Revenue Code that:

25 (a) Is related to arts, culture, or the humanities, including any
26 organization formed for the purpose of developing and promoting the work
27 of artists and the humanities in various visual and performing forms,
28 such as film, sculpture, dance, painting, horticulture, multimedia,
29 poetry, photography, performing arts, zoology, or botany; or

30 (b) Operates a sports complex;

31 (6) Sports complex means property that:

- 1 (a) Includes indoor areas, outdoor areas, or both;
- 2 (b) Is primarily used for competitive sports; and
- 3 (c) Contains multiple separate sports venues; and
- 4 (7) Sports venue includes, but is not limited to:
- 5 (a) A baseball field;
- 6 (b) A softball field;
- 7 (c) A soccer field;
- 8 (d) An outdoor stadium primarily used for competitive sports;
- 9 (e) An outdoor arena primarily used for competitive sports; and
- 10 (f) An enclosed, temperature-controlled building primarily used for
- 11 competitive sports.

12 Sec. 4. (1) Beginning July 1, 2021, through July 15, 2021, a

13 qualified nonprofit organization may apply to the department for a grant

14 under the Shovel-Ready Capital Recovery and Investment Act. The

15 application shall include, but not be limited to, the following

16 information:

- 17 (a) A description of the qualified nonprofit organization's capital
- 18 project;
- 19 (b) The estimated cost of the capital project;
- 20 (c) The date when the capital project was delayed due to COVID-19
- 21 and the date when the capital project is expected to begin or resume,
- 22 which shall be no later than June 30, 2022; and
- 23 (d) Documentation on the amount of funds for the capital project
- 24 which have been received or will be received by the qualified nonprofit
- 25 organization from private sources. Such amount shall be at least equal to
- 26 the amount of any grant received under the act. The documentation
- 27 provided under this subdivision does not need to identify the names of
- 28 any donors.

29 (2) The department shall consider applications in the order in which

30 they are received. If an applicant is a qualified nonprofit organization

31 and otherwise qualifies for funding under the Shovel-Ready Capital

1 Recovery and Investment Act, the department shall, subject to subsection
2 (3) of this section, approve the application and notify the applicant of
3 the approval.

4 (3) The department may approve applications within the limits of
5 available funding. The amount of any grant approved under this section
6 shall be equal to the amount of funds to be supplied by the qualified
7 nonprofit organization from private sources, as documented under
8 subdivision (1)(d) of this section, subject to the following limitations:

9 (a) For any capital project with an estimated cost of less than five
10 million dollars, the grant shall not exceed one million five hundred
11 thousand dollars;

12 (b) For any capital project with an estimated cost of at least five
13 million dollars but less than twenty-five million dollars, the grant
14 shall not exceed five million dollars;

15 (c) For any capital project with an estimated cost of at least
16 twenty-five million dollars but less than fifty million dollars, the
17 grant shall not exceed ten million dollars; and

18 (d) For any capital project with an estimated cost of fifty million
19 dollars or more, the grant shall not exceed fifteen million dollars.

20 Sec. 5. (1) Each qualified nonprofit organization that receives a
21 grant under the Shovel-Ready Capital Recovery and Investment Act shall:

22 (a) Secure all of the private funds described in subdivision (1)(d)
23 of section 4 of this act through a written pledge or payment by December
24 31, 2021, and shall begin or resume construction on the organization's
25 capital project by June 30, 2022; and

26 (b) Abide by the federal laws commonly known as the Davis-Bacon and
27 Related Acts.

28 (2) Any qualified nonprofit organization that fails to meet the
29 requirements of subsection (1) of this section shall repay any grant
30 funds received under the act.

31 Sec. 6. The Shovel-Ready Capital Recovery and Investment Fund is

1 created. The fund shall consist of transfers authorized by the
2 Legislature and any gifts, grants, or bequests from any source, including
3 federal, state, public, and private sources. The fund shall be
4 administered by the department and shall be used to make grants under the
5 Shovel-Ready Capital Recovery and Investment Act. Any money in the fund
6 available for investment shall be invested by the state investment
7 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
8 State Funds Investment Act.

9 Sec. 7. It is the intent of the Legislature to allocate fifteen
10 million dollars from the General Fund and an additional amount of federal
11 funds, subject to the appropriations process, up to the amount needed to
12 fully fund all approved grants, from federal funds allocated to states
13 pursuant to the American Rescue Plan Act of 2021 from the Coronavirus
14 State Fiscal Recovery Fund and received by the State of Nebraska on or
15 after the effective date of this act, if such use is permitted under
16 section 9901 of the American Rescue Plan Act of 2021, for use by the
17 department for purposes of carrying out the Shovel-Ready Capital Recovery
18 and Investment Act.

19 Sec. 8. The department may adopt and promulgate rules and
20 regulations to carry out the Shovel-Ready Capital Recovery and Investment
21 Act.

22 Sec. 9. Since an emergency exists, this act takes effect when
23 passed and approved according to law.