

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 621

Introduced by McDonnell, 5.

Read first time January 17, 2023

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to economic development; to amend sections
2 81-12,147, 81-12,148, 81-12,149, and 84-612, Revised Statutes
3 Cumulative Supplement, 2022; to provide additional uses of the Site
4 and Building Development Fund; to provide requirements; to provide
5 for a transfer from the Cash Reserve Fund; to harmonize provisions;
6 to repeal the original sections; and to declare an emergency.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-12,147, Revised Statutes Cumulative
2 Supplement, 2022, is amended to read:

3 81-12,147 (1) Except as provided in subsection (2) of this section,
4 the Department of Economic Development shall use the Site and Building
5 Development Fund to finance loans, grants, subsidies, credit
6 enhancements, and other financial assistance for industrial site and
7 building development and for expenses of the department as appropriated
8 by the Legislature for administering the fund. The following activities
9 are eligible for assistance from the fund:

10 (a) Grants or zero-interest loans to villages, cities, or counties
11 to acquire land, infuse infrastructure, or otherwise make large sites and
12 buildings ready for industrial development;

13 (b) Matching funds for new construction, rehabilitation, or
14 acquisition of land and buildings to assist villages, cities, and
15 counties;

16 (c) Technical assistance, design and finance services, and
17 consultation for villages, cities, and counties for the preparation and
18 creation of industrial-ready sites and buildings;

19 (d) Loan guarantees for eligible projects;

20 (e) Projects making industrial-ready sites and buildings more
21 accessible to business and industry;

22 (f) Infrastructure projects necessary for the development of
23 industrial-ready sites and buildings;

24 (g) Projects that mitigate the economic impact of a closure or
25 downsizing of a private-sector entity by making necessary improvements to
26 buildings and infrastructure;

27 (h) Public and private sector initiatives that will improve the
28 military value of military installations by making necessary improvements
29 to buildings and infrastructure, including, but not limited to, a grant
30 for the establishment of the United States Strategic Command Nuclear
31 Command, Control, and Communications public-private-partnership facility;

1 and

2 (i) Grants to any city of the second class which partners with
3 public power utilities for purposes of expanding electrical system
4 capacities and enhancing redundancy and resilience; and -

5 (j) Grants to governmental subdivisions and Nebraska nonprofit
6 organizations to improve buildings and infrastructure and construct an
7 outdoor soccer stadium with a capacity of no more than ten thousand seats
8 in an area located in or immediately adjacent to a qualified census tract
9 as defined in 26 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on
10 January 1, 2023, within the boundaries of a city of the metropolitan
11 class.

12 (2) The Department of Economic Development shall use the subaccount
13 of the Site and Building Development Fund described in subsection (2) of
14 section 81-12,146 to provide financial assistance to any inland port
15 authority created under the Municipal Inland Port Authority Act to help
16 finance large shovel-ready commercial and industrial sites developed
17 under such act.

18 Sec. 2. Section 81-12,148, Revised Statutes Cumulative Supplement,
19 2022, is amended to read:

20 81-12,148 (1) Governmental subdivisions and Nebraska nonprofit
21 organizations are eligible to receive assistance under the Site and
22 Building Development Act. Any entity receiving assistance under
23 subsection (1) of section 81-12,147 shall provide, or cause to be
24 provided, matching funds for the eligible activity in an amount
25 determined by the Department of Economic Development, which amount shall
26 be at least equal to one hundred percent of the amount of assistance
27 provided by the Site and Building Development Fund. Nothing in the act
28 shall be construed to allow individuals or businesses to receive direct
29 loans from the fund.

30 (2) An applicant for a grant for development of a public-private-
31 partnership facility under subdivision (1)(h) of section 81-12,147 shall

1 provide the Director of Economic Development with a letter of support
2 from the United States Strategic Command prior to approval of the
3 application and with proof of the availability of twenty million dollars
4 in private or other funds for the facility. No funds shall be expended or
5 grants awarded until receipt of proof of the availability of twenty
6 million dollars in private or other funds for the facility and
7 certification is provided by the Director of Economic Development to the
8 budget administrator of the budget division of the Department of
9 Administrative Services.

10 (3) An applicant for a grant for development of a stadium under
11 subdivision (1)(j) of section 81-12,147 shall, prior to approval of the
12 application, provide the Director of Economic Development with (a) a
13 letter of support from the mayor of the city of the metropolitan class in
14 which the stadium is to be located, (b) a letter of support from the
15 owner of the team that is to be the primary tenant of the stadium, and
16 (c) proof of the availability of twenty-five million dollars in private
17 or other funds for the facility. No funds shall be expended or grants
18 awarded until receipt of proof of the availability of twenty-five million
19 dollars in private or other funds for the facility and certification is
20 provided by the Director of Economic Development to the budget
21 administrator of the budget division of the Department of Administrative
22 Services. A grant issued under this subsection shall not exceed fifty
23 million dollars.

24 (4) ~~(3)~~ This section does not apply to any inland port authority
25 receiving assistance under subsection (2) of section 81-12,147.

26 Sec. 3. Section 81-12,149, Revised Statutes Cumulative Supplement,
27 2022, is amended to read:

28 81-12,149 (1) During each calendar year in which funds are available
29 from the Site and Building Development Fund for use by the Department of
30 Economic Development pursuant to subdivisions (1)(a) through (g) of
31 section 81-12,147, the department shall allocate a specific amount of

1 funds, not less than forty percent, to nonmetropolitan areas. For
2 purposes of this section, nonmetropolitan areas means counties with fewer
3 than one hundred thousand inhabitants according to the most recent
4 federal decennial census. In selecting projects to receive such fund
5 assistance, the department shall develop a qualified action plan by
6 January 1 of each even-numbered year. The plan shall give first priority
7 to financially viable projects that have an agreement with a business
8 that will locate a site within ninety days of the signed agreement and to
9 financially viable projects located in whole or in part within an
10 enterprise zone designated pursuant to the Enterprise Zone Act or an
11 opportunity zone designated pursuant to the federal Tax Cuts and Jobs
12 Act, Public Law 115-97. The plan shall set forth selection criteria to be
13 used to determine priorities of the fund for activities pursuant to
14 subdivisions (1)(a) through (g) of section 81-12,147 which are
15 appropriate to local conditions, including the community's immediate need
16 for site and building development, proposed increases in jobs and
17 investment, private dollars leveraged, level of local government support
18 and participation, and repayment, in part or in whole, of financial
19 assistance awarded by the fund. The Director of Economic Development
20 shall submit the plan to the Governor for approval.

21 (2) The department shall fund in order of priority as many
22 applications for activities pursuant to subdivisions (1)(a) through (g)
23 of section 81-12,147 as will utilize available money in the Site and
24 Building Development Fund less actual administrative costs of the
25 department in administering the fund. In administering the fund, the
26 department may contract for services or directly provide money to other
27 governmental entities or instrumentalities.

28 (3) This section does not apply to:

29 (a) Any ~~any~~ inland port authority receiving assistance under
30 subsection (2) of section 81-12,147; and ~~-~~

31 (b) Assistance provided under subdivision (1)(h), (i), or (j) of

1 section 81-12,147.

2 Sec. 4. Section 84-612, Revised Statutes Cumulative Supplement,
3 2022, is amended to read:

4 84-612 (1) There is hereby created within the state treasury a fund
5 known as the Cash Reserve Fund which shall be under the direction of the
6 State Treasurer. The fund shall only be used pursuant to this section.

7 (2) The State Treasurer shall transfer funds from the Cash Reserve
8 Fund to the General Fund upon certification by the Director of
9 Administrative Services that the current cash balance in the General Fund
10 is inadequate to meet current obligations. Such certification shall
11 include the dollar amount to be transferred. Any transfers made pursuant
12 to this subsection shall be reversed upon notification by the Director of
13 Administrative Services that sufficient funds are available.

14 (3) In addition to receiving transfers from other funds, the Cash
15 Reserve Fund shall receive federal funds received by the State of
16 Nebraska for undesignated general government purposes, federal revenue
17 sharing, or general fiscal relief of the state.

18 (4) The State Treasurer shall transfer fifty-four million seven
19 hundred thousand dollars on or after July 1, 2019, but before June 15,
20 2021, from the Cash Reserve Fund to the Nebraska Capital Construction
21 Fund on such dates and in such amounts as directed by the budget
22 administrator of the budget division of the Department of Administrative
23 Services.

24 (5) The State Treasurer shall transfer two hundred fifteen million
25 five hundred eighty thousand dollars from the Cash Reserve Fund to the
26 Nebraska Capital Construction Fund on or after July 1, 2022, but before
27 June 15, 2023, on such dates and in such amounts as directed by the
28 budget administrator of the budget division of the Department of
29 Administrative Services.

30 (6) The State Treasurer shall transfer fifty-three million five
31 hundred thousand dollars from the Cash Reserve Fund to the Perkins County

1 Canal Project Fund on or before June 30, 2023, on such dates and in such
2 amounts as directed by the budget administrator of the budget division of
3 the Department of Administrative Services.

4 (7) No funds shall be transferred from the Cash Reserve Fund to
5 fulfill the obligations created under the Nebraska Property Tax Incentive
6 Act unless the balance in the Cash Reserve Fund after such transfer will
7 be at least equal to five hundred million dollars.

8 (8) The State Treasurer shall transfer thirty million dollars from
9 the Cash Reserve Fund to the Military Base Development and Support Fund
10 on or before June 30, 2023, but not before July 1, 2022, on such dates
11 and in such amounts as directed by the budget administrator of the budget
12 division of the Department of Administrative Services.

13 (9) The State Treasurer shall transfer eight million three hundred
14 thousand dollars from the Cash Reserve Fund to the Trail Development and
15 Maintenance Fund on or after July 1, 2022, but before July 30, 2022, on
16 such dates and in such amounts as directed by the budget administrator of
17 the budget division of the Department of Administrative Services.

18 (10) The State Treasurer shall transfer fifty million dollars from
19 the Cash Reserve Fund to the Nebraska Rural Projects Fund on or after
20 July 1, 2022, but before July 15, 2023, on such dates and in such amounts
21 as directed by the budget administrator of the budget division of the
22 Department of Administrative Services.

23 (11) The State Treasurer shall transfer thirty million dollars from
24 the Cash Reserve Fund to the Rural Workforce Housing Investment Fund on
25 or after July 1, 2022, but before July 15, 2023, on such dates and in
26 such amounts as directed by the budget administrator of the budget
27 division of the Department of Administrative Services.

28 (12) The State Treasurer shall transfer twenty million dollars from
29 the Cash Reserve Fund to the Intern Nebraska Cash Fund on or after July
30 1, 2022, but before June 15, 2023, on such dates and in such amounts as
31 directed by the budget administrator of the budget division of the

1 Department of Administrative Services.

2 (13) The State Treasurer shall transfer twenty million dollars from
3 the Cash Reserve Fund to the Middle Income Workforce Housing Investment
4 Fund on July 15, 2022, or as soon thereafter as administratively
5 possible, and in such amounts as directed by the budget administrator of
6 the budget division of the Department of Administrative Services.

7 (14) The State Treasurer shall transfer eighty million dollars from
8 the Cash Reserve Fund to the Jobs and Economic Development Initiative
9 Fund on or after July 1, 2022, but before July 15, 2023, on such dates
10 and in such amounts as directed by the budget administrator of the budget
11 division of the Department of Administrative Services.

12 (15) The State Treasurer shall transfer twenty million dollars from
13 the Cash Reserve Fund to the Site and Building Development Fund on July
14 15, 2022, or as soon thereafter as administratively possible, and in such
15 amounts as directed by the budget administrator of the budget division of
16 the Department of Administrative Services.

17 (16) The State Treasurer shall transfer fifty million dollars from
18 the Cash Reserve Fund to the Surface Water Irrigation Infrastructure Fund
19 on or after July 15, 2022, but before January 1, 2023, on such dates and
20 in such amounts as directed by the budget administrator of the budget
21 division of the Department of Administrative Services.

22 (17) The State Treasurer shall transfer fifteen million dollars from
23 the Cash Reserve Fund to the Site and Building Development Fund on or
24 before June 30, 2022, on such dates and in such amounts as directed by
25 the budget administrator of the budget division of the Department of
26 Administrative Services.

27 (18) The State Treasurer shall transfer fifty-five million dollars
28 from the Cash Reserve Fund to the Economic Recovery Contingency Fund on
29 or before June 30, 2022, on such dates and in such amounts as directed by
30 the budget administrator of the budget division of the Department of
31 Administrative Services.

1 (19) The State Treasurer shall transfer fifty million dollars from
2 the Cash Reserve Fund to the Site and Building Development Fund on July
3 15, 2023, or as soon thereafter as administratively possible, as directed
4 by the budget administrator of the budget division of the Department of
5 Administrative Services.

6 Sec. 5. Original sections 81-12,147, 81-12,148, 81-12,149, and
7 84-612, Revised Statutes Cumulative Supplement, 2022, are repealed.

8 Sec. 6. Since an emergency exists, this act takes effect when
9 passed and approved according to law.