

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

SECOND SESSION

**LEGISLATIVE BILL 1068**

Introduced by Hansen, 42.

Read first time January 21, 2010

Committee: Banking, Commerce and Insurance

A BILL

- 1 FOR AN ACT relating to economic development; to adopt the Rural
- 2           Tourism Development Act; to provide operative dates; and
- 3           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  
2 may be cited as the Rural Tourism Development Act.

3           Sec. 2. For purposes of the Rural Tourism Development  
4 Act:

5           (1) Agritourism means travel to a tourist destination  
6 that combines traditional agricultural production and tourism;

7           (2) Agritourism or ecotourism businesses include, but  
8 are not limited to, outfitting, hunting, fishing, horseback  
9 riding, boating, canoeing, kayaking, farm and ranch tours and  
10 activities, camping, picnicking, hiking, bicycling, nature study,  
11 winter sports, and visiting, viewing, or enjoying historical,  
12 archaeological, scenic, or scientific sites, or otherwise using  
13 property for other recreation or tourism activities;

14           (3) Department means the Rural Tourism Division of the  
15 Department of Economic Development;

16           (4) Ecotourism means responsible travel to natural areas  
17 which conserves the environment and improves the welfare of the  
18 local people;

19           (5) Program means the Rural Development Program created  
20 in section 3 of this act;

21           (6) Rural tourism includes, but is not limited to,  
22 agritourism or ecotourism businesses; and

23           (7) Small tourism business means an entity or individual  
24 that derives or anticipates deriving net income of not more than  
25 two million dollars from a rural tourism business.

1           Sec. 3. The Rural Tourism Development Program is created.  
2 The program shall be administered by the department. The intent of  
3 the program is to assist small tourism businesses in Nebraska with  
4 the financial opportunity to start and maintain an agritourism or  
5 ecotourism or other rural tourism business in Nebraska.

6           Sec. 4. A small tourism business located in a county with  
7 a population of not more than one hundred thousand residents may  
8 apply to the department for a rural tourism business loan. The  
9 small tourism business shall provide a business plan and the cost  
10 or the estimated cost of developing, maintaining, and operating the  
11 rural tourism business. The small tourism business shall provide  
12 evidence that it has an amount equal to ten percent of the cost  
13 of the rural tourism business available for such business. The  
14 department may require changes in the business plan or the costs  
15 of the rural tourism business if such changes could make the  
16 small tourism business viable under criteria determined by the  
17 department. If the department determines that the small tourism  
18 business is viable, the department shall loan the small tourism  
19 business up to forty percent of the cost of the small tourism  
20 business up to a total cost for such business of five hundred  
21 thousand dollars. A small tourism business loan shall be approved  
22 or denied within six months after the application date. A small  
23 tourism business loan shall be up to a five-year loan with an  
24 interest rate of zero percent.

25           Sec. 5. The Rural Tourism Development Fund is created.

1 The department shall use the money in the fund to carry out the  
2 purposes of the Rural Tourism Development Act. It is the intent  
3 of the Legislature to appropriate five percent of the balance of  
4 the fund annually for administrative costs to the department in  
5 carrying out the act. On July 1, 2010, and July 1, 2011, the  
6 State Treasurer shall transfer five hundred thousand dollars from  
7 the Local Civic, Cultural, and Convention Center Financing Fund to  
8 the Rural Tourism Development Fund. Any money in the Rural Tourism  
9 Development Fund available for investment shall be invested by the  
10 state investment officer pursuant to the Nebraska Capital Expansion  
11 Act and the Nebraska State Funds Investment Act.

12           Sec. 6. The department shall submit to the Governor,  
13 the Clerk of the Legislature, and the Legislative Fiscal Analyst  
14 a report on or before December 1, 2011, and every two years  
15 thereafter, documenting the loans approved in the preceding fiscal  
16 years.

17           Sec. 7. Any loan under the Rural Tourism Development  
18 Act which is not paid in full within sixty days after the due  
19 date shall become a lien as provided in this section on the real  
20 property of the small tourism business as to the full unpaid  
21 balance. No lien under this section shall be valid unless the lien  
22 is filed by the department not more than four months after the  
23 date of default, in the same office and in the same manner as  
24 mortgages in the county in which the real property is located.  
25 Such lien shall take effect and be in force from and after the

1 time of delivering the same to the register of deeds for recording,  
2 and not before, as to all creditors and subsequent purchasers in  
3 good faith without notice, and such lien shall be void as to  
4 all such creditors and subsequent purchasers without notice whose  
5 deeds, mortgages, or other instruments are recorded before the  
6 lien of the department is recorded, except that such lien shall  
7 be valid between the parties. The department shall not maintain  
8 possession of any property which it may acquire pursuant to a lien  
9 authorized by this section for a period of time longer than is  
10 reasonably necessary to dispose of such property. The department  
11 may also bring suit against the small tourism business for any  
12 unpaid balance and execute on any judgment obtained against such  
13 small tourism business.

14           Sec. 8. The department shall adopt and promulgate rules  
15 and regulations to carry out the Rural Tourism Development Act.

16           Sec. 9. Sections 5 and 10 of this act become operative  
17 on their effective date. The other sections of this act become  
18 operative three calendar months after adjournment of this  
19 legislative session.

20           Sec. 10. Since an emergency exists, this act takes effect  
21 when passed and approved according to law.