

LEGISLATURE OF NEBRASKA
ONE HUNDRED FOURTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 150

FINAL READING

Introduced by Urban Affairs Committee: Crawford, 45, Chairperson; Coash, 27; Ebke, 32; Hansen, 26; Hughes, 44; Krist, 10; McCollister, 20.

Read first time January 09, 2015

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Local Option Municipal Economic
2 Development Act; to amend section 18-2709, Reissue Revised Statutes
3 of Nebraska, and section 18-2705, Revised Statutes Cumulative
4 Supplement, 2014; to redefine terms; and to repeal the original
5 sections.

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

1 Section 1. Section 18-2705, Revised Statutes Cumulative Supplement,
2 2014, is amended to read:

3 18-2705 (1) Economic development program means any project or
4 program utilizing funds derived from local sources of revenue for the
5 purpose of providing direct or indirect financial assistance to a
6 qualifying business or the payment of related costs and expenses or both,
7 without regard to whether that business is identified at the time the
8 project or program is initiated or is to be determined by specified means
9 at some time in the future.

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

23 (3) For cities of the first and second class and villages, an
24 economic development program may also include grants or loans for the
25 construction or rehabilitation for sale or lease of housing for persons
26 of low or moderate income.

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

30 (5) An economic development program may be conducted jointly by two
31 or more cities after the approval of the program by the voters of each

1 participating city.

2 Sec. 2. Section 18-2709, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 18-2709 (1) Qualifying business means any corporation, partnership,
5 limited liability company, or sole proprietorship which derives its
6 principal source of income from any of the following: The manufacture of
7 articles of commerce; the conduct of research and development; the
8 processing, storage, transport, or sale of goods or commodities which are
9 sold or traded in interstate commerce; the sale of services in interstate
10 commerce; headquarters facilities relating to eligible activities as
11 listed in this section; telecommunications activities, including services
12 providing advanced telecommunications capability; tourism-related
13 activities; or the production of films, including feature, independent,
14 and documentary films, commercials, and television programs.

15 (2) Qualifying business also means:

16 (a) In cities of the first and second class and villages, a business
17 that derives its principal source of income from the construction or
18 rehabilitation of housing;

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

31 (c) In cities with a population of two thousand five hundred

1 inhabitants or less, a business shall be a qualifying business even
2 though it derives its principal source of income from activities other
3 than those set out in this section.

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

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

16 (5) Qualifying business does not include a political subdivision, a
17 state agency, or any other governmental entity, except as allowed for
18 cities of the first and second class and villages for rural
19 infrastructure development as provided for in subsection (4) of section
20 18-2705.

21 Sec. 3. Original section 18-2709, Reissue Revised Statutes of
22 Nebraska, and section 18-2705, Revised Statutes Cumulative Supplement,
23 2014, are repealed.