

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 160

FINAL READING

Introduced by Quick, 35; Hunt, 8; Blood, 3.

Read first time January 11, 2019

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Local Option Municipal Economic
2 Development Act; to amend sections 18-2705 and 18-2709, Revised
3 Statutes Cumulative Supplement, 2018; to redefine terms to include
4 early childhood infrastructure development and early childhood care
5 and education programs for certain cities and villages as
6 prescribed; and to repeal the original sections.
7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2705, Revised Statutes Cumulative Supplement,
2 2018, 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; 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 class, cities of the ~~and~~ second class,
24 and villages, an economic development program may also include grants or
25 loans for the construction or rehabilitation for sale or lease of housing
26 for persons of low or moderate income.

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

31 (5) For cities of the first class, cities of the ~~and~~ second class,

1 and villages, an economic development program may also include grants or
2 loans for the construction or rehabilitation for sale or lease of housing
3 as part of a workforce housing plan.

4 (6) For cities of the first class, cities of the second class, and
5 villages, an economic development program may also include grants, loans,
6 or funds for early childhood infrastructure development.

7 (7) (6) An economic development program may be conducted jointly by
8 two or more cities after the approval of the program by the voters of
9 each participating city.

10 Sec. 2. Section 18-2709, Revised Statutes Cumulative Supplement,
11 2018, is amended to read:

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

23 (2) Qualifying business also means:

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

27 (b) In cities of the first class, cities of the second class, and
28 villages, a business that derives its principal source of income from
29 early childhood care and education programs;

30 (c) (b) A business that derives its principal source of income from
31 retail trade, except that no more than forty percent of the total revenue

1 generated pursuant to the Local Option Municipal Economic Development Act
2 for an economic development program in any twelve-month period and no
3 more than twenty percent of the total revenue generated pursuant to the
4 act for an economic development program in any five-year period,
5 commencing from the date of municipal approval of an economic development
6 program, shall be used by the city for or devoted to the use of retail
7 trade businesses. For purposes of this subdivision, retail trade means a
8 business which is principally engaged in the sale of goods or commodities
9 to ultimate consumers for their own use or consumption and not for
10 resale; and

11 (d) ~~(e)~~ In cities with a population of two thousand five hundred
12 inhabitants or less as determined by the most recent federal decennial
13 census or the most recent revised certified count by the United States
14 Bureau of the Census, a business shall be a qualifying business even
15 though it derives its principal source of income from activities other
16 than those set out in this section.

17 (3) If a business which would otherwise be a qualifying business
18 employs people and carries on activities in more than one city in
19 Nebraska or will do so at any time during the first year following its
20 application for participation in an economic development program, it
21 shall be a qualifying business only if, in each such city, it maintains
22 employment for the first two years following the date on which such
23 business begins operations in the city as a participant in its economic
24 development program at a level not less than its average employment in
25 such city over the twelve-month period preceding participation.

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

29 (5) Qualifying business does not include a political subdivision, a
30 state agency, or any other governmental entity, except as allowed for
31 cities of the first class, cities of the ~~and~~ second class, and villages

1 for rural infrastructure development as provided for in subsection (4) of
2 section 18-2705.

3 Sec. 3. Original sections 18-2705 and 18-2709, Revised Statutes
4 Cumulative Supplement, 2018, are repealed.