

ONE HUNDRED EIGHTH LEGISLATURE - SECOND SESSION - 2024
COMMITTEE STATEMENT (CORRECTED)
LB600

Hearing Date: Tuesday March 07, 2023
Committee On: Transportation and Telecommunications
Introducer: Lippincott
One Liner: Change provisions relating to the Transportation Infrastructure Bank Fund and the Economic Opportunity Program of the Department of Transportation

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Bosn, Bostelman, Brandt, DeBoer, DeKay, Fredrickson, Moser
Nay:		
Absent:		
Present Not Voting:	1	Senator Cavanaugh, M.

Testimony:

Proponents:

Senator Loren Lippincott
Rick Hoppe
Lynn Rex
Merv Riepe
Matt Spencer
Sue Crawford

Representing:

Opening Presenter
City of Ralston
League of Nebraska Municipalities
Legislative District 12
Hornady Manufacturing Company
City of York, York County Economic Development Corporation

Opponents:

Vicki Kramer

Representing:

Nebraska Department of Transportation

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

1) Amends section 39-2803- Transportation Infrastructure Bank Fund; created; use. The Transportation Innovation Act Fund is used to fund the Accelerated State Highway Capital Improvement Program, the County Bridge Match Program, and the Economic Opportunity Program.
There are two sources of funding for the Fund.
A one-time appropriation to the Fund from the Cash Reserve Fund in 2016; and
An on-going funding stream representing the amount generated from the increase in motor



fuel taxes generated by LB 610 (2015). This transfer will end June 30, 2033.

The section is amended as follows:

The reference to the Cash Reserve Fund transfer is stricken as obsolete and language is inserted stating that the Fund can accept any donation, gift, bequest, or other money received from any state or federal agency or private source.

2) Amends section 39-606- Economic Opportunity Program; Created

The Economic Opportunity Program is authorized to expend, from the Transportation Infrastructure Bank Fund up to \$20 million to finance transportation improvements to attract business and business expansions by connecting them to the transportation network. The DOT is to consult with the Department of Economic Development on projects and no project may be funded without a positive economic impact analysis.

The section is amended by providing that the Economic Opportunity Program may also fund infrastructure improvements for cities of the First Class, Second Class and villages for redevelopment plans approved under the Community Development Law that will lead to increased economic development investment by the private sector.

Explanation of amendments:

On Thursday, April 27, 2023, the Committee conducted a re-hearing of LB 600.

The Committee considered AM 1390 which was proposed by Senator Lippincott.

Following the re-hearing the Committee considered and adopted AM2145 that substitutes for the bill.

The committee amendment strikes the original provisions of LB 600 and replaces the bill with the following:

Eight new provisions of law are enacted- the "Municipality Infrastructure Act".

The act is to be administered by the Department of Economic Development. Entities eligible to apply for a grant are cities of the First Class, Second Class, or villages with a redevelopment plan approved under the Community Development Law.

Eligible municipalities may apply for grants to assist in funding infrastructure including water and sewer systems, roads, bridges and other site development activities.

Beginning July 1, 2023 grant applications may be filed with the Department of Economic Development. Grant applications shall include:

Infrastructure improvements must be part of a plan approved under the Community Development Law;

Explain how the improvements would attract and support new business or business expansion;

How the improvements would provide infrastructure that is sufficient for new or expanded business;

A cost-benefit analysis of the redevelopment plan; and

How the new or expanded business would provide jobs, including high-quality jobs; increase business investment; and revitalize rural and other distressed areas of the state in or near an eligible grantee.

An application for a grant shall be denied if the redevelopment plan does not provide a positive cost-benefit analysis or the grantee fails to provide a match of 25% of the amount of the grant request.

Grants are to be limited to \$5,000,000 per application.

The Department of Economic Development is directed to establish the grant process, including the process to recoup funds if grant obligations are not met.

The Department of Economic Development is to consult with the Department of



Transportation, Department of Environment and Energy and statewide economic developer associations on administration of the Act.

The Municipality Infrastructure Aid Fund is created. The Fund shall receive a transfer of \$10 million from the Cash Reserve Fund as soon as possible after the effective date of the Act.

Thursday, April 27, 2023, LB 600 (AM 1390) Re-hearing Testifiers

PROPONENTS

Senator Loren Lippincott
Mary Berlie
Rick Hoppe
Lynn Rex

Opening Presenter
Grand Island Area Economic Development
City of Ralston
League of Nebraska Municipalities

OPPONENTS

None

NEUTRAL

None

Mike Moser, Chairperson

