

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 346**

Introduced by Brandt, 32.

Read first time January 12, 2023

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; to redefine a qualifying business as prescribed; and to
- 4 repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2709, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3 18-2709 (1) Qualifying business means any corporation, partnership,  
4 limited liability company, or sole proprietorship which derives its  
5 principal source of income from any of the following: The manufacture of  
6 articles of commerce; the conduct of research and development; the  
7 processing, storage, transport, or sale of goods or commodities which are  
8 sold or traded in interstate commerce; the sale of services in interstate  
9 commerce; headquarters facilities relating to eligible activities as  
10 listed in this section; telecommunications activities, including services  
11 providing advanced telecommunications capability; tourism-related  
12 activities; or the production of films, including feature, independent,  
13 and documentary films, commercials, and television programs.

14 (2) Qualifying business also means:

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

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

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

1 resale; and

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

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

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

20 (5) Qualifying business does not include a political subdivision, a  
21 state agency, or any other governmental entity, except as allowed for  
22 cities of the first class, cities of the second class, and villages for  
23 rural infrastructure development as provided for in subdivision (3)(b) of  
24 section 18-2705.

25 Sec. 2. Original section 18-2709, Reissue Revised Statutes of  
26 Nebraska, is repealed.