

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 644

Introduced by McDonnell, 5.

Read first time January 18, 2023

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to the Site and Building Development Fund; to
- 2 amend sections 81-12,146, 81-12,147, 81-12,148, 81-12,150, and
- 3 84-612, Revised Statutes Cumulative Supplement, 2022; to provide for
- 4 a transfer of funds; to change provisions related to use of the Site
- 5 and Building Development Fund; to provide powers and duties for the
- 6 Department of Economic Development for certain projects; to repeal
- 7 the original sections; and to declare an emergency.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-12,146, Revised Statutes Cumulative
2 Supplement, 2022, is amended to read:

3 81-12,146 (1) The Site and Building Development Fund is created. The
4 fund shall receive money pursuant to section 76-903 and may include
5 revenue from transfers by the Legislature, grants, private contributions,
6 repayment of loans, and all other sources. The Department of Economic
7 Development, as part of its comprehensive business development strategy,
8 shall administer the fund. Any money in the fund available for investment
9 shall be invested by the state investment officer pursuant to the
10 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
11 Act.

12 (2) It is the intent of the Legislature to transfer five million
13 dollars from the General Fund to the Site and Building Development Fund
14 for fiscal year 2022-23 and five million dollars from the General Fund to
15 the Site and Building Development Fund for fiscal year 2023-24. Such
16 money shall be placed in a subaccount of the Site and Building
17 Development Fund and earmarked for use to fund large shovel-ready
18 commercial and industrial sites developed under the Municipal Inland Port
19 Authority Act.

20 (3) It is the intent of the Legislature to transfer eighty million
21 dollars from the Cash Reserve Fund to the Site and Building Development
22 Fund for fiscal year 2023-24 and eighty million dollars from the Cash
23 Reserve Fund to the Site and Building Development Fund for fiscal year
24 2024-25. Such money shall be placed in a subaccount of the Site and
25 Building Development Fund and earmarked for use to support identifying,
26 evaluating, and developing large commercial and industrial sites and
27 building infrastructure to attract major investment and employment
28 opportunities for advanced manufacturing, processing, trade, technology,
29 aerospace, automotive, clean energy, life science industries, and other
30 transformational industries in Nebraska.

31 Sec. 2. Section 81-12,147, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 81-12,147 (1) Except as provided in subsection (2) or (3) of this
3 section, the Department of Economic Development shall use the Site and
4 Building Development Fund to finance loans, grants, subsidies, credit
5 enhancements, and other financial assistance for industrial site and
6 building development and for expenses of the department as appropriated
7 by the Legislature for administering the fund. The following activities
8 are eligible for assistance from the fund:

9 (a) Grants or zero-interest loans to villages, cities, or counties
10 to acquire land, infuse infrastructure, or otherwise make large sites and
11 buildings ready for industrial development;

12 (b) Matching funds for new construction, rehabilitation, or
13 acquisition of land and buildings to assist villages, cities, and
14 counties;

15 (c) Technical assistance, design and finance services, and
16 consultation for villages, cities, and counties for the preparation and
17 creation of industrial-ready sites and buildings;

18 (d) Loan guarantees for eligible projects;

19 (e) Projects making industrial-ready sites and buildings more
20 accessible to business and industry;

21 (f) Infrastructure projects necessary for the development of
22 industrial-ready sites and buildings;

23 (g) Projects that mitigate the economic impact of a closure or
24 downsizing of a private-sector entity by making necessary improvements to
25 buildings and infrastructure;

26 (h) Public and private sector initiatives that will improve the
27 military value of military installations by making necessary improvements
28 to buildings and infrastructure, including, but not limited to, a grant
29 for the establishment of the United States Strategic Command Nuclear
30 Command, Control, and Communications public-private-partnership facility;

31 and

1 (i) Grants to any city of the second class which partners with
2 public power utilities for purposes of expanding electrical system
3 capacities and enhancing redundancy and resilience.

4 (2) The Department of Economic Development shall use the subaccount
5 of the Site and Building Development Fund described in subsection (2) of
6 section 81-12,146 to provide financial assistance to any inland port
7 authority created under the Municipal Inland Port Authority Act to help
8 finance large shovel-ready commercial and industrial sites developed
9 under such act.

10 (3)(a) The Department of Economic Development shall use the
11 subaccount of the Site and Building Development Fund described in
12 subsection (3) of section 81-12,146 to support identifying, evaluating,
13 and developing large commercial and industrial sites and building
14 infrastructure to attract major investment and employment opportunities
15 for advanced manufacturing, processing, trade, technology, aerospace,
16 automotive, clean energy, life science industries, and other
17 transformational industries in Nebraska.

18 (b) Large commercial and industrial sites and building
19 infrastructure should be capable of supporting businesses and business
20 development that at a minimum meets the requirements of subdivision (1)
21 (b) of section 77-6831.

22 (c) The department may use the funds from the Site and Building
23 Development Fund subaccount described in subsection (3) of section
24 81-12,146 to provide the following assistance to support, identify,
25 evaluate, and develop large commercial and industrial sites and building
26 infrastructure: Finance loans, provide grants, subsidies, or credit
27 enhancements, and provide other financial assistance to eligible
28 entities.

29 (d) The following entities are eligible for assistance from the
30 subaccount described in subsection (3) of section 81-12,146: Political
31 subdivisions, inland port authorities created under the Municipal Inland

1 Port Authority Act, nonprofit economic development organizations, or
2 other nonprofit organizations.

3 (e) It is the intent of Legislature that the Department of Economic
4 Development provide assistance from the subaccount described in
5 subsection (3) of section 81-12,146 to eligible entities in support of
6 developing large commercial and industrial sites and building
7 infrastructure. Eligible entities shall apply to the Department of
8 Economic Development in a form and manner developed by the Director of
9 Economic Development. The Department of Economic Development shall
10 evaluate the merits off applications from eligible entities.

11 (f) Up to five million dollars in FY2023-24 and up to five million
12 dollars in FY2024-25 transferred to the subaccount of the Site and
13 Building Development Fund described in subsection (3) of section
14 81-12,146 may be used by the Department of Economic Development to hire
15 additional staff, make expenditures for travel, partner with political
16 subdivisions or nonprofit economic development corporations, and enter
17 into contracts for consulting, engineering, and development studies to
18 identify, evaluate, and develop large commercial and industrial sites in
19 Nebraska. The contracts shall be based on competitive bids.

20 (g) Up to twenty-five million dollars in FY2023-24 and up to twenty-
21 five million dollars in FY2024-25 transferred to the subaccount of the
22 Site and Building Development Fund described in subsection (3) of section
23 81-12,146 may be used by the Department of Economic Development to
24 support projects pursuant to subsection (1) of section 81-12,147.

25 Sec. 3. Section 81-12,148, Revised Statutes Cumulative Supplement,
26 2022, is amended to read:

27 81-12,148 (1) Governmental subdivisions and Nebraska nonprofit
28 organizations are eligible to receive assistance under the Site and
29 Building Development Act. Any entity receiving assistance under
30 subsection (1) of section 81-12,147 shall provide, or cause to be
31 provided, matching funds for the eligible activity in an amount

1 determined by the Department of Economic Development, which amount shall
2 be at least equal to one hundred percent of the amount of assistance
3 provided by the Site and Building Development Fund. Nothing in the act
4 shall be construed to allow individuals or businesses to receive direct
5 loans from the fund.

6 (2) An applicant for a grant for development of a public-private-
7 partnership facility under subdivision (1)(h) of section 81-12,147 shall
8 provide the Director of Economic Development with a letter of support
9 from the United States Strategic Command prior to approval of the
10 application and with proof of the availability of twenty million dollars
11 in private or other funds for the facility. No funds shall be expended or
12 grants awarded until receipt of proof of the availability of twenty
13 million dollars in private or other funds for the facility and
14 certification is provided by the Director of Economic Development to the
15 budget administrator of the budget division of the Department of
16 Administrative Services.

17 (3) This section does not apply to any inland port authority
18 receiving assistance under subsection (2) of section 81-12,147 or to any
19 mega site developed under subsection (3) of section 81-12,147.

20 Sec. 4. Section 81-12,150, Revised Statutes Cumulative Supplement,
21 2022, is amended to read:

22 81-12,150 The Department of Economic Development may adopt and
23 promulgate rules and regulations to carry out the Site and Building
24 Development Act, including rules and regulations relating to reviewing
25 and prioritizing inland port authority proposals pursuant to section
26 sections 13-3304 and 13-3304.01 and providing financial assistance to any
27 inland port authority created under the Municipal Inland Port Authority
28 Act and to reviewing proposals for mega sites and providing financial
29 assistance to any approved mega site application under subsection (3) of
30 section 81-12,147.

31 Sec. 5. Section 84-612, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 84-612 (1) There is hereby created within the state treasury a fund
3 known as the Cash Reserve Fund which shall be under the direction of the
4 State Treasurer. The fund shall only be used pursuant to this section.

5 (2) The State Treasurer shall transfer funds from the Cash Reserve
6 Fund to the General Fund upon certification by the Director of
7 Administrative Services that the current cash balance in the General Fund
8 is inadequate to meet current obligations. Such certification shall
9 include the dollar amount to be transferred. Any transfers made pursuant
10 to this subsection shall be reversed upon notification by the Director of
11 Administrative Services that sufficient funds are available.

12 (3) In addition to receiving transfers from other funds, the Cash
13 Reserve Fund shall receive federal funds received by the State of
14 Nebraska for undesignated general government purposes, federal revenue
15 sharing, or general fiscal relief of the state.

16 (4) The State Treasurer shall transfer fifty-four million seven
17 hundred thousand dollars on or after July 1, 2019, but before June 15,
18 2021, from the Cash Reserve Fund to the Nebraska Capital Construction
19 Fund on such dates and in such amounts as directed by the budget
20 administrator of the budget division of the Department of Administrative
21 Services.

22 (5) The State Treasurer shall transfer two hundred fifteen million
23 five hundred eighty thousand dollars from the Cash Reserve Fund to the
24 Nebraska Capital Construction Fund on or after July 1, 2022, but before
25 June 15, 2023, on such dates and in such amounts as directed by the
26 budget administrator of the budget division of the Department of
27 Administrative Services.

28 (6) The State Treasurer shall transfer fifty-three million five
29 hundred thousand dollars from the Cash Reserve Fund to the Perkins County
30 Canal Project Fund on or before June 30, 2023, on such dates and in such
31 amounts as directed by the budget administrator of the budget division of

1 the Department of Administrative Services.

2 (7) No funds shall be transferred from the Cash Reserve Fund to
3 fulfill the obligations created under the Nebraska Property Tax Incentive
4 Act unless the balance in the Cash Reserve Fund after such transfer will
5 be at least equal to five hundred million dollars.

6 (8) The State Treasurer shall transfer thirty million dollars from
7 the Cash Reserve Fund to the Military Base Development and Support Fund
8 on or before June 30, 2023, but not before July 1, 2022, on such dates
9 and in such amounts as directed by the budget administrator of the budget
10 division of the Department of Administrative Services.

11 (9) The State Treasurer shall transfer eight million three hundred
12 thousand dollars from the Cash Reserve Fund to the Trail Development and
13 Maintenance Fund on or after July 1, 2022, but before July 30, 2022, on
14 such dates and in such amounts as directed by the budget administrator of
15 the budget division of the Department of Administrative Services.

16 (10) The State Treasurer shall transfer fifty million dollars from
17 the Cash Reserve Fund to the Nebraska Rural Projects Fund on or after
18 July 1, 2022, but before July 15, 2023, on such dates and in such amounts
19 as directed by the budget administrator of the budget division of the
20 Department of Administrative Services.

21 (11) The State Treasurer shall transfer thirty million dollars from
22 the Cash Reserve Fund to the Rural Workforce Housing Investment Fund on
23 or after July 1, 2022, but before July 15, 2023, on such dates and in
24 such amounts as directed by the budget administrator of the budget
25 division of the Department of Administrative Services.

26 (12) The State Treasurer shall transfer twenty million dollars from
27 the Cash Reserve Fund to the Intern Nebraska Cash Fund on or after July
28 1, 2022, but before June 15, 2023, on such dates and in such amounts as
29 directed by the budget administrator of the budget division of the
30 Department of Administrative Services.

31 (13) The State Treasurer shall transfer twenty million dollars from

1 the Cash Reserve Fund to the Middle Income Workforce Housing Investment
2 Fund on July 15, 2022, or as soon thereafter as administratively
3 possible, and in such amounts as directed by the budget administrator of
4 the budget division of the Department of Administrative Services.

5 (14) The State Treasurer shall transfer eighty million dollars from
6 the Cash Reserve Fund to the Jobs and Economic Development Initiative
7 Fund on or after July 1, 2022, but before July 15, 2023, on such dates
8 and in such amounts as directed by the budget administrator of the budget
9 division of the Department of Administrative Services.

10 (15) The State Treasurer shall transfer twenty million dollars from
11 the Cash Reserve Fund to the Site and Building Development Fund on July
12 15, 2022, or as soon thereafter as administratively possible, and in such
13 amounts as directed by the budget administrator of the budget division of
14 the Department of Administrative Services.

15 (16) The State Treasurer shall transfer fifty million dollars from
16 the Cash Reserve Fund to the Surface Water Irrigation Infrastructure Fund
17 on or after July 15, 2022, but before January 1, 2023, on such dates and
18 in such amounts as directed by the budget administrator of the budget
19 division of the Department of Administrative Services.

20 (17) The State Treasurer shall transfer fifteen million dollars from
21 the Cash Reserve Fund to the Site and Building Development Fund on or
22 before June 30, 2022, on such dates and in such amounts as directed by
23 the budget administrator of the budget division of the Department of
24 Administrative Services.

25 (18) The State Treasurer shall transfer fifty-five million dollars
26 from the Cash Reserve Fund to the Economic Recovery Contingency Fund on
27 or before June 30, 2022, on such dates and in such amounts as directed by
28 the budget administrator of the budget division of the Department of
29 Administrative Services.

30 (19) The State Treasurer shall transfer one hundred sixty million
31 dollars from the Cash Reserve Fund to the Site and Building Development

1 Fund on or after July 15, 2023, on such dates and in such amounts as
2 directed by the budget administrator of the budget division of the
3 Department of Administrative Services.

4 Sec. 6. Original sections 81-12,146, 81-12,147, 81-12,148,
5 81-12,150, and 84-612, Revised Statutes Cumulative Supplement, 2022, are
6 repealed.

7 Sec. 7. Since an emergency exists, this act takes effect when
8 passed and approved according to law.