

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 863

Final Reading

Introduced by Coash, 27; Mello, 5; Fischer, 43; Cook, 13; McGill,
26; Nordquist, 7.

Read first time January 06, 2012

Committee: Urban Affairs

A BILL

1 FOR AN ACT relating to the Local Option Municipal Economic
2 Development Act; to amend section 18-2701, Reissue
3 Revised Statutes of Nebraska, and section 18-2709,
4 Revised Statutes Supplement, 2011; to redefine qualifying
5 business to include film production; to provide duties
6 for qualifying businesses; to harmonize provisions; and
7 to repeal the original sections.

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

1 Section 1. Section 18-2701, Reissue Revised Statutes of
2 Nebraska, is amended to read:

3 18-2701 Sections 18-2701 to 18-2738 and section 3 of this
4 act shall be known and may be cited as the Local Option Municipal
5 Economic Development Act.

6 Sec. 2. Section 18-2709, Revised Statutes Supplement,
7 2011, is amended to read:

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

20 (2) Qualifying business also means:

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

24 (b) A business that derives its principal source of
25 income from retail trade, except that no more than forty percent of

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

11 (c) In cities with a population of two thousand five
12 hundred inhabitants or less, a business shall be a qualifying
13 business even though it derives its principal source of income from
14 activities other than those set out in this section.

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

25 (4) A qualifying business need not be located within the

1 territorial boundaries of the city from which it is or will be
2 receiving financial assistance.

3 Sec. 3. A qualifying business which derives its principal
4 source of income from the production of films, commercials, and
5 television programs and which is utilizing an economic development
6 program shall (1) provide notice to the Nebraska Film Office or its
7 successor of each project for which the qualifying business intends
8 to utilize the economic development program and (2) acknowledge in
9 the production credits of the film, commercial, or television program
10 the State of Nebraska and the city operating the economic development
11 program. The acknowledgment shall be required only when production
12 credits are displayed and shall not be required if prohibited by
13 local, state, or federal law, rule, or regulation.

14 Sec. 4. Original section 18-2701, Reissue Revised
15 Statutes of Nebraska, and section 18-2709, Revised Statutes
16 Supplement, 2011, are repealed.