

AMENDMENTS TO LB1024

(Amendments to Standing Committee amendments, AM1920)

Introduced by Wayne, 13.

1 1. Strike the original sections and all amendments thereto and
2 insert the following new sections:

3 Section 1. Sections 1 to 7 of this act shall be known and may be
4 cited as the Economic Recovery Act.

5 Sec. 2. The Legislature finds that:

6 (1) The COVID-19 public health emergency has caused widespread
7 economic, social, and public health-related turmoil that deepened
8 existing disparities;

9 (2) The social and economic challenges caused and exacerbated by the
10 COVID-19 public health emergency include high unemployment, wage
11 decreases, increased homelessness, and food insecurity;

12 (3) The impact of the COVID-19 public health emergency and related
13 challenges were disproportionately felt in low-income and minority
14 communities such as North Omaha and South Omaha;

15 (4) The social and economic challenges in North Omaha and South
16 Omaha have persisted for multiple generations, partially fueled by past
17 racial segregation and the historical practice known as redlining;

18 (5) Funding under the federal American Rescue Plan Act of 2021
19 presents a once-in-a-lifetime opportunity to respond to the challenges
20 facing North Omaha and South Omaha that have been worsened by the
21 COVID-19 public health emergency; and

22 (6) Federal guidance issued by the United States Department of the
23 Treasury has identified qualified census tracts as areas in which certain
24 activities and investments will be deemed presumptively eligible for the
25 use of funds under the federal American Rescue Plan Act of 2021.

26 Sec. 3. For purposes of the Economic Recovery Act, qualified census

1 tract means a qualified census tract as defined in 26 U.S.C. 42(d)(5)(B)
2 (ii)(I), as such section existed on January 1, 2022.

3 Sec. 4. (1) The primary responsibility of the Economic Recovery
4 Division of the Department of Economic Development shall be to utilize
5 federal or state funding to award grants as provided in this section. The
6 division shall develop a coordinated plan and a grant application and
7 scoring process to award grants under the Economic Recovery Act.

8 (2) The coordinated plan developed pursuant to this section shall
9 direct and prioritize the use of grants toward the economic recovery of
10 those communities and neighborhoods within qualified census tracts
11 located within the boundaries of a city of the metropolitan class that
12 were disproportionately impacted by the COVID-19 public health emergency
13 and related challenges, with an emphasis on housing needs, job training,
14 and business development within such communities and neighborhoods. In
15 prioritizing the use of grants, the Economic Recovery Division may rely
16 on any studies produced pursuant to section 5 of this act. Not later than
17 August 1, 2022, the division shall submit a copy of an initial
18 coordinated plan to the Economic Recovery Special Committee of the
19 Legislature. Not later than December 1, 2022, the division shall submit a
20 final copy of such coordinated plan to the Economic Recovery Special
21 Committee of the Legislature.

22 (3) All grants made by the Economic Recovery Division utilizing
23 federal funds allocated to the State of Nebraska from the federal
24 Coronavirus State Fiscal Recovery Fund shall meet the eligible uses under
25 the federal American Rescue Plan Act of 2021 and any relevant guidance on
26 the use of such funds by the United States Department of the Treasury.

27 Sec. 5. (1) The Economic Recovery Special Committee of the
28 Legislature is established as a special committee of the Legislature to
29 perform the duties provided in the Economic Recovery Act. The special
30 legislative committee shall consist of the chairperson of the Urban
31 Affairs Committee of the Legislature, who shall serve as chairperson of

1 the special legislative committee, the Speaker of the Legislature, the
2 chairperson of the Appropriations Committee of the Legislature or his or
3 her designee, and four other members of the Legislature appointed by the
4 chairperson of the Executive Board of the Legislative Council. The
5 appointed members of the special legislative committee shall include
6 members who represent legislative districts containing one or more
7 qualified census tracts located within the boundaries of a city of the
8 metropolitan class.

9 (2) The Executive Board of the Legislative Council shall provide
10 staff as required by the special legislative committee from existing
11 legislative staff. In addition, the special legislative committee may
12 hire additional staff, make expenditures for travel, and enter into
13 contracts for consulting, engineering, and development studies. The
14 contracts shall be based on competitive bids and subject to approval of
15 the executive board upon the recommendation of a majority of the members
16 of the special legislative committee. It is the intent of the Legislature
17 to appropriate two million dollars for fiscal year 2022-23 to carry out
18 this section.

19 (3) The special legislative committee may hold hearings and request
20 and receive reports from the federal government, state agencies,
21 counties, municipalities, and other public and private entities regarding
22 the impact of the COVID-19 public health emergency on low-income and
23 minority communities in Nebraska. The special legislative committee may
24 hold one or more closed sessions for the receipt of confidential
25 information if at least one-half of the members of the special
26 legislative committee vote in open session to hold a closed session.

27 (4) No later than June 30, 2022, the special legislative committee
28 shall issue a request for proposals for studies on potential eligible
29 uses of funds made available under the federal American Rescue Plan Act
30 of 2021 or state funds within or adjacent to qualified census tracts
31 located within the boundaries of a city of the metropolitan class. Such

1 studies shall include, but not be limited to, potential eligible uses of
2 such funds in the areas of entrepreneurship, housing, employment, job
3 creation, and small business assistance. Copies of all such studies shall
4 be forwarded to the Economic Recovery Division of the Department of
5 Economic Development.

6 Sec. 6. (1) The Economic Recovery Fund is created. The fund shall
7 consist of transfers by the Legislature to carry out the Economic
8 Recovery Act. The fund shall be used by the Economic Recovery Division of
9 the Department of Economic Development to defray any administrative costs
10 incurred by the department in carrying out the act and to provide the
11 following:

12 (a) Grant funding, not to exceed sixty million dollars, to a
13 nonprofit economic development organization for the development of a
14 business park located within or adjacent to one or more qualified census
15 tracts located within the boundaries of a city of the metropolitan class
16 and within two miles of a major airport as defined in section 13-3303;

17 (b) Grant funding, not to exceed thirty million dollars, to one or
18 more innovation hubs providing services and resources within qualified
19 census tracts located within the boundaries of a city of the metropolitan
20 class;

21 (c) Grant funding, not to exceed ten million dollars, to nonprofit
22 film industry organizations for the purpose of producing films, media,
23 and public campaigns relating to individuals, places, or events that had
24 a significant impact on Nebraska and the United States of America located
25 in qualified census tracts located within the boundaries of a city of the
26 metropolitan class;

27 (d) Grant funding, not to exceed forty million dollars, to nonprofit
28 organizations for the purpose of producing and preserving affordable
29 housing located in qualified census tracts located within the boundaries
30 of a city of the metropolitan class. The department shall prioritize such
31 funds for projects that have the greatest impact, and shall provide for

1 such prioritization in the coordinated plan developed pursuant to section
2 4 of this act;

3 (e) Grant funding, not to exceed eighty percent of any funds
4 received by the department to carry out the United States Economic
5 Development Administration's American Rescue Plan Travel, Tourism, and
6 Outdoor Recreation program, to nonprofits or small businesses for the
7 purposes of supporting tourism-related events or projects located in
8 qualified census tracts located within the boundaries of a city of the
9 metropolitan class; and

10 (f) Additional grants as provided in section 4 of this act.

11 (2) Any money in the fund available for investment shall be invested
12 by the state investment officer pursuant to the Nebraska Capital
13 Expansion Act and the Nebraska State Funds Investment Act.

14 Sec. 7. (1) It is the intent of the Legislature to appropriate two
15 hundred fifty million dollars from federal funds for FY2022-23 to the
16 Economic Recovery Division of the Department of Economic Development to
17 carry out the Economic Recovery Act. The federal funds appropriated in
18 this subsection shall be from the funds allocated to the State of
19 Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant
20 to the federal American Rescue Plan Act of 2021, Public Law 117-2,
21 Subtitle M, Sec. 9901.

22 (2) It is the intent of the Legislature to appropriate three million
23 seventy-four thousand dollars from federal funds for FY2022-23 to the
24 Economic Recovery Division of the Department of Economic Development to
25 carry out the Economic Recovery Act. The federal funds appropriated in
26 this subsection shall be from the funds received by the State of Nebraska
27 from the United States Economic Development Administration's American
28 Rescue Plan Travel, Tourism, and Outdoor Recreation program.

29 Sec. 8. Section 81-1201.07, Reissue Revised Statutes of Nebraska, is
30 amended to read:

31 81-1201.07 The department may have the divisions and program listed

1 in this section to aid in the discharge of its duties but shall not be
2 limited to such divisions and program: (1) An Existing Business
3 Assistance Division; (2) a Business Recruitment Division; (3) a Community
4 and Rural Development Division; (4) an Economic Recovery Division; and
5 (5) (4) a Community Development Block Grant Program. Each division and
6 program, when deemed appropriate by the director, is encouraged to
7 establish advisory committees and programs to insure public participation
8 and input.

9 Sec. 9. Section 81-1238, Revised Statutes Cumulative Supplement,
10 2020, is amended to read:

11 81-1238 (1) The director shall establish a workforce housing
12 investment grant program to foster and support the development of
13 workforce housing in urban communities.

14 (2) A nonprofit development organization may apply to the director
15 for approval of a workforce housing grant for a workforce housing
16 investment fund. The application shall be in a form and manner prescribed
17 by the director. Through fiscal year 2026-27 ~~2022-2023~~, grants shall be
18 awarded by the director on a competitive basis until grant funds are no
19 longer available. Grant maximums shall not exceed five ~~one~~ million
20 dollars to any one nonprofit development organization over a two-year
21 period, with the no more than two million five hundred thousand dollars
22 cumulative amount for any single grantee to be determined by the
23 department at the discretion of the director ~~through fiscal year~~
24 ~~2022-2023~~. Grants shall require a minimum of fifty percent ~~one-to-one~~ in
25 matching funds to be considered a qualified grant application.
26 Unallocated funds shall be rolled to the next program year. Unallocated
27 funds on June 30, 2027 ~~2025~~, shall be returned to the Middle Income
28 Workforce Housing Investment Fund.

29 (3) Grants shall be awarded based upon:

30 (a) A demonstrated need for additional owner-occupied housing. Need
31 can be demonstrated with a recent housing study or a letter from the

1 planning department of the city in which the fund is intending to operate
2 stating that the proposal is in line with the city's most recent
3 consolidated plan submitted under 24 C.F.R. part 91, subpart D, as such
4 subpart existed on January 1, 2020;

5 (b) A neighborhood or community that has a higher-than-state-average
6 unemployment rate;

7 (c) A neighborhood or community that exhibits a demonstrated
8 commitment to growing its housing stock;

9 (d) Projects that can reasonably be ready for occupancy in a period
10 of twenty-four months; and

11 (e) A demonstrated ability to grow and manage a workforce housing
12 investment fund.

13 (4) A workforce housing investment fund shall:

14 ~~(a) Be required to receive annual certification from the department;~~

15 (a) ~~(b)~~ Invest or intend to invest in eligible activities for a
16 workforce housing investment fund;

17 (b) ~~(c)~~ Use any fees, interest, loan repayments, or other funds
18 received by the nonprofit development organization as a result of the
19 administration of the grant to support qualified activities; and

20 (c) ~~(d)~~ Have an active board of directors with expertise in
21 development, construction, and finance that meets at least quarterly to
22 approve all qualified investments made by the nonprofit development
23 organization. A nonprofit development organization shall have a formal
24 plan and proven expertise to invest unused workforce housing investment
25 fund balances and shall conduct an annual audit of all financial records
26 by an independent certified public accountant.

27 (5) A nonprofit development organization that has previously
28 received a grant or grants under the Middle Income Workforce Housing
29 Investment Act shall not be eligible for an additional grant under this
30 section unless the organization has expended at least fifty percent of
31 the funds from such previous grant or grants.

1 Sec. 10. Section 81-1239, Revised Statutes Cumulative Supplement,
2 2020, is amended to read:

3 81-1239 (1) The Middle Income Workforce Housing Investment Fund is
4 created. Funding for the grant program described in section 81-1238 shall
5 come from the Middle Income Workforce Housing Investment Fund. The Middle
6 Income Workforce Housing Investment Fund may include revenue from
7 appropriations from the Legislature, grants, private contributions, and
8 other sources. ~~In addition, the Middle Income Workforce Housing~~
9 ~~Investment Fund shall receive a one-time transfer of ten million dollars~~
10 ~~on November 14, 2020, from the General Fund.~~ Any money in the Middle
11 Income Workforce Housing Investment Fund available for investment shall
12 be invested by the state investment officer pursuant to the Nebraska
13 Capital Expansion Act and the Nebraska State Funds Investment Act.

14 (2) The department shall administer the Middle Income Workforce
15 Housing Investment Fund and may seek additional private or nonstate funds
16 to use in the grant program, including, but not limited to, contributions
17 from the Nebraska Investment Finance Authority and other interested
18 parties.

19 (3) Interest earned by the department on grant funds shall be
20 applied to the grant program.

21 (4) If a nonprofit development organization fails to engage in a
22 qualified activity within twenty-four months after receiving initial
23 grant funding, the nonprofit development organization shall return the
24 grant proceeds to the department for credit to the Affordable Housing
25 Trust Fund.

26 (5) Beginning July 1, 2027 ~~2025~~, any funds held by the department in
27 the Middle Income Workforce Housing Investment Fund shall be transferred
28 to the Affordable Housing Trust Fund.

29 Sec. 11. Section 81-1240, Revised Statutes Cumulative Supplement,
30 2020, is amended to read:

31 81-1240 (1) Each nonprofit development organization shall submit an

1 annual report to the director to be included as a part of the
2 department's annual status report required under section 81-1201.11. The
3 report shall certify that the workforce housing investment fund meets the
4 requirements of the Middle Income Workforce Housing Investment Act and
5 shall include a breakdown of program activities.

6 (2) The annual report shall include, but not be limited to:

7 (a) The name and geographical location of the nonprofit development
8 organization;

9 (b) The number, amount, and type of workforce housing investment
10 funds invested in qualified activities;

11 (c) The number, geographical location, type, and amount of
12 investments made;

13 (d) A summary of matching funds and where such matching funds were
14 generated; and

15 (e) The results of the annual audit required under subdivision (4)
16 (c) ~~(4)(d)~~ of section 81-1238.

17 (3) If a nonprofit development organization ceases administration of
18 a workforce housing investment fund, it shall file a final report with
19 the director in a form and manner required by the director. Before July
20 1, 2027 ~~2025~~, any unallocated workforce housing investment fund grant
21 funds shall be returned for credit to the Middle Income Workforce Housing
22 Investment Fund.

23 (4) If a workforce housing investment fund fails to file a complete
24 annual report by February 15, the director may, in his or her discretion,
25 impose a civil penalty of not more than five thousand dollars for such
26 violation. All money collected by the department pursuant to this
27 subsection shall be remitted to the State Treasurer for distribution in
28 accordance with Article VII, section 5, of the Constitution of Nebraska.

29 Sec. 12. (1) The Department of Economic Development shall use at
30 least fifty percent of any funds received from the federal Coronavirus
31 Capital Projects Fund under the federal American Rescue Plan Act of 2021

1 for eligible projects located in qualified census tracts as defined in 26
2 U.S.C. 42(d)(5)(B)(ii)(I), as such section existed on January 1, 2022.
3 The department shall not provide grant money received from the federal
4 Coronavirus Capital Projects Fund for broadband infrastructure projects.

5 (2) The department shall issue grants, from funds received from the
6 federal Coronavirus Capital Projects Fund under the federal American
7 Rescue Plan Act of 2021, not to exceed twenty million dollars, to one or
8 more innovation hubs for eligible projects providing services and
9 resources to small businesses within qualified census tracts located
10 within the boundaries of a city of the metropolitan class.

11 (3) The department shall issue grants, from funds received from the
12 federal Coronavirus Capital Projects Fund under the federal American
13 Rescue Plan Act of 2021, not to exceed seven million five hundred
14 thousand dollars, for eligible projects located in a city of the first
15 class located in a metropolitan statistical area as defined in section
16 18-803 containing a city of the primary class.

17 (4) The department shall, beginning July 1, 2022, through July 15,
18 2022, allow a qualified nonprofit organization or political subdivision
19 to apply for a grant using funds received from the federal Coronavirus
20 Capital Projects Fund under the federal American Rescue Plan Act of 2021.
21 The department may open additional grant application periods as needed
22 until all funds are allocated.

23 Sec. 13. It is the intent of the Legislature to appropriate one
24 hundred twenty-eight million seven hundred forty thousand one hundred
25 seventy-eight dollars from federal funds for FY2022-23 to the Economic
26 Recovery Division of the Department of Economic Development. The federal
27 funds appropriated in this section shall be from the funds allocated to
28 the State of Nebraska from the federal Coronavirus Capital Projects Fund
29 under the federal American Rescue Plan Act of 2021.

30 Sec. 14. Section 84-612, Revised Statutes Supplement, 2021, is
31 amended to read:

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

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

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

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

21 (5) The State Treasurer shall transfer thirty million dollars from
22 the Cash Reserve Fund to the General Fund after November 15, 2020, but
23 before December 31, 2020, on such date as directed by the budget
24 administrator of the budget division of the Department of Administrative
25 Services. Except for the transfer authorized in this subsection, no funds
26 shall be transferred from the Cash Reserve Fund to fulfill the
27 obligations created under the Nebraska Property Tax Incentive Act unless
28 the balance in the Cash Reserve Fund after such transfer will be at least
29 equal to five hundred million dollars.

30 (6) The State Treasurer shall transfer fifty million dollars from
31 the Cash Reserve Fund to the United States Space Command Headquarters

1 Assistance Fund on or before June 30, 2023, but not before July 1, 2022,
2 on such dates and in such amounts as directed by the budget administrator
3 of the budget division of the Department of Administrative Services. The
4 transfer in this subsection shall not occur unless the State of Nebraska
5 is selected as the site of the United States Space Command headquarters.

6 (7) The State Treasurer shall transfer two hundred twenty-five
7 million dollars from the Cash Reserve Fund to the Economic Recovery Fund
8 on or before June 30, 2022, on such dates and in such amounts as directed
9 by the budget administrator of the budget division of the Department of
10 Administrative Services.

11 Sec. 15. Original section 81-1201.07, Reissue Revised Statutes of
12 Nebraska, sections 81-1238, 81-1239, and 81-1240, Revised Statutes
13 Cumulative Supplement, 2020, and section 84-612, Revised Statutes
14 Supplement, 2021, are repealed.

15 Sec. 16. Since an emergency exists, this act takes effect when
16 passed and approved according to law.