

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 616

Introduced by McDonnell, 5.

Read first time January 17, 2023

Committee: Revenue

1 A BILL FOR AN ACT relating to economic development; to amend sections
2 77-6841 and 84-612, Revised Statutes Cumulative Supplement, 2022; to
3 state intent to transfer funds; to provide duties for the Department
4 of Economic Development to award funds; to transfer funds from the
5 Cash Reserve Fund; to harmonize provisions; to repeal the original
6 sections; and to declare an emergency.

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

1 Section 1. Section 77-6841, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 77-6841 (1) The Legislature finds that providing job training is
4 critical to the public purpose of attracting and retaining businesses and
5 that the growth of high-paying jobs in Nebraska is limited by an unmet
6 need for workforce training and infrastructure development. The
7 Legislature further finds that many communities in Nebraska lack the
8 infrastructure, including broadband access, necessary to provide high-
9 paying jobs for residents. The Legislature further finds that workforce
10 training and infrastructure development help businesses and improve the
11 quality of life for workers and communities in Nebraska. Because there is
12 a statewide benefit from workforce training and infrastructure
13 development, the Legislature intends to provide a revolving loan program
14 as a rational means to address these needs.

15 (2) The Department of Economic Development shall establish and
16 administer a revolving loan program for workforce training and
17 infrastructure development expenses to be incurred by applicants for
18 incentives under the Imagine Nebraska Act.

19 (3) The Imagine Nebraska Revolving Loan Fund is hereby created. The
20 fund shall receive money from transfers authorized by appropriations ~~from~~
21 the Legislature, grants, private contributions, repayment of loans, and
22 all other sources. Any money in the fund available for investment shall
23 be invested by the state investment officer pursuant to the Nebraska
24 Capital Expansion Act and the Nebraska State Funds Investment Act. It is
25 the intent of the Legislature to transfer five million dollars from the
26 General Fund to the Imagine Nebraska Revolving Loan Fund for fiscal years
27 2022-23 and 2023-24 for purposes of carrying out the workforce training
28 and infrastructure development revolving loan program pursuant to the
29 Imagine Nebraska Act. It is the intent of the Legislature to appropriate
30 five million dollars for fiscal years 2022-23 and 2023-24 for purposes of
31 carrying out the workforce training and infrastructure development

1 revolving loan program pursuant to the Imagine Nebraska Act. It is the
2 intent of the Legislature to transfer XXX million dollars for fiscal year
3 2023-24 and XXX million dollars for fiscal year 2024-25 from the General
4 Fund to the Imagine Nebraska Revolving Loan Fund for awards pursuant to
5 subsection (5) of this section.

6 (4)(a) (4) The Department of Economic Development, as part of its
7 comprehensive business development strategy, shall administer the Imagine
8 Nebraska Revolving Loan Fund and may loan funds to applicants under the
9 Imagine Nebraska Act to secure new, high-paying jobs in Nebraska based on
10 the criteria established in sections 77-6842 and 77-6843. Loans made to
11 applicants under the Imagine Nebraska Act and interest on such loans may
12 be repaid using credits earned under the Imagine Nebraska Act. If that
13 occurs, the Department of Revenue shall certify the credit usage to the
14 State Treasurer, who shall, within thirty days, transfer the amount of
15 the credit used from the General Fund to the Imagine Nebraska Revolving
16 Loan Fund.

17 (b) (5) If a taxpayer with an agreement under the Imagine Nebraska
18 Act obtains a loan under this subsection ~~section~~ and fails to attain the
19 required minimum number of new employees, minimum compensation, and
20 minimum required cumulative investment necessary for that taxpayer to
21 earn a credit, the principal and interest of the loan shall be considered
22 an underpayment of tax and may be recovered by the Department of Revenue.

23 (c) (6) Whether repaid using credits or repaid directly by the
24 recipient of the loan, loans made from the Imagine Nebraska Revolving
25 Loan Fund shall be repaid with interest at the rate established in
26 section 45-102.

27 (5)(a) The Department of Economic Development shall award funds to
28 match any federal grant, loan, loan guarantee, or other financial
29 incentive for a project for which a Nebraska-based covered entity as
30 defined in 15 U.S.C. 4651 qualifies under the Creating Helpful Incentives
31 to Produce Semiconductors (CHIPS) for America Act, Public Law 116-283.

1 The amount of the award, when combined with all other eligible state
2 funds and incentives, shall not exceed twenty-five percent of the total
3 cost of the project. The department may waive any interest payments for
4 qualifying projects.

5 (b) The Department of Economic Development shall approve any
6 applicant who meets the eligibility requirements under the Creating
7 Helpful Incentives to Produce Semiconductors (CHIPS) for America Act,
8 Public Law 116-283, if the eligible project has a total project cost in
9 excess of fifty million dollars. The department shall award funds under
10 this subsection upon receipt by an application of an award of federal or
11 other funds. Fund sources include federal, local, private, and charitable
12 contributions.

13 (c) An applicant shall apply to the Department of Economic
14 Development for an award under this subsection. The applicant shall
15 certify the investment made by the United States Government.

16 (d) Of the total funds awarded under this subsection and consistent
17 with section 9902(a)(2)(B) of the Creating Helpful Incentives to Produce
18 Semiconductors (CHIPS) for America Act, Public Law 116-283, five-tenths
19 of one percent of the amount awarded under this subsection shall be
20 awarded to an educational institution for the purpose of assisting a
21 Nebraska-based covered entity with the obligations under the federal law
22 for domestic semiconductor workforce development.

23 (e) An applicant may use award funds received under this subsection
24 for:

25 (i) Public and private sector initiatives that will improve
26 Nebraska's ability to attract microelectronic enterprises, especially
27 those incentivized under the Creating Helpful Incentives to Produce
28 Semiconductors (CHIPS) for America Act, Public Law 116-283, by making
29 necessary investments to the semiconductor industry, including, but not
30 limited to, grants for the establishment of private sector entities for
31 such purposes within eligible economically disadvantaged areas in

1 Nebraska, as set forth in section 9902(a)(2)(B) of the Creating Helpful
2 Incentives to Produce Semiconductors (CHIPS) for America Act, Public Law
3 116-283; and

4 (ii) A community college located in a city of the metropolitan class
5 working in collaboration with private sector partners and any interested
6 university, college, other community college, and technical school
7 located in this state to support education expansion and curricula
8 development in order to meet the needs of the domestic semiconductor
9 workforce in Nebraska set forth in section 9902(a)(2)(B) of the Creating
10 Helpful Incentives to Produce Semiconductors (CHIPS) for America Act,
11 Public Law 116-283.

12 Sec. 2. Section 84-612, Revised Statutes Cumulative Supplement,
13 2022, is amended to read:

14 84-612 (1) There is hereby created within the state treasury a fund
15 known as the Cash Reserve Fund which shall be under the direction of the
16 State Treasurer. The fund shall only be used pursuant to this section.

17 (2) The State Treasurer shall transfer funds from the Cash Reserve
18 Fund to the General Fund upon certification by the Director of
19 Administrative Services that the current cash balance in the General Fund
20 is inadequate to meet current obligations. Such certification shall
21 include the dollar amount to be transferred. Any transfers made pursuant
22 to this subsection shall be reversed upon notification by the Director of
23 Administrative Services that sufficient funds are available.

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

28 (4) The State Treasurer shall transfer fifty-four million seven
29 hundred thousand dollars on or after July 1, 2019, but before June 15,
30 2021, from the Cash Reserve Fund to the Nebraska Capital Construction
31 Fund on such dates and in such amounts as directed by the budget

1 administrator of the budget division of the Department of Administrative
2 Services.

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

9 (6) The State Treasurer shall transfer fifty-three million five
10 hundred thousand dollars from the Cash Reserve Fund to the Perkins County
11 Canal Project Fund on or before June 30, 2023, on such dates and in such
12 amounts as directed by the budget administrator of the budget division of
13 the Department of Administrative Services.

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

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

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

28 (10) The State Treasurer shall transfer fifty million dollars from
29 the Cash Reserve Fund to the Nebraska Rural Projects Fund on or after
30 July 1, 2022, but before July 15, 2023, on such dates and in such amounts
31 as directed by the budget administrator of the budget division of the

1 Department of Administrative Services.

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

7 (12) The State Treasurer shall transfer twenty million dollars from
8 the Cash Reserve Fund to the Intern Nebraska Cash Fund on or after July
9 1, 2022, but before June 15, 2023, on such dates and in such amounts as
10 directed by the budget administrator of the budget division of the
11 Department of Administrative Services.

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

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

22 (15) The State Treasurer shall transfer twenty million dollars from
23 the Cash Reserve Fund to the Site and Building Development Fund on July
24 15, 2022, or as soon thereafter as administratively possible, and in such
25 amounts as directed by the budget administrator of the budget division of
26 the Department of Administrative Services.

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

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

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

11 (19) The State Treasurer shall transfer XXX million dollars from the
12 Cash Reserve Fund to the Imagine Nebraska Revolving Loan Fund on or after
13 July 15, 2023, or as soon thereafter as administratively possible, and in
14 such amounts as directed by the budget administrator of the budget
15 division of the Department of Administrative Services.

16 (20) The State Treasurer shall transfer XXX million dollars from the
17 Cash Reserve Fund to the Imagine Nebraska Revolving Loan Fund on July 15,
18 2024, or as soon thereafter as administratively possible, and in such
19 amounts as directed by the budget administrator of the budget division of
20 the Department of Administrative Services.

21 Sec. 3. Original sections 77-6841 and 84-612, Revised Statutes
22 Cumulative Supplement, 2022, are repealed.

23 Sec. 4. Since an emergency exists, this act takes effect when
24 passed and approved according to law.