

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 388

Introduced by Wightman, 36; at the request of the Governor.

Read first time January 13, 2011

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to economic development; to amend sections
2 58-702, 58-703, 58-706, and 76-903, Reissue Revised
3 Statutes of Nebraska; to adopt the Site and Building
4 Development Act; to create a fund; to provide funding; to
5 authorize uses of the Affordable Housing Trust Fund and
6 provide for transfers; to provide an operative date; and
7 to repeal the original sections.
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 8 of this act shall be known and
2 may be cited as the Site and Building Development Act.

3 Sec. 2. The Legislature finds that current economic
4 conditions, lack of available industrial sites and buildings, and
5 declining resources at all levels of government adversely affect the
6 ability of Nebraska's cities and villages to obtain viable industrial
7 sites on which to build businesses, obtain buildings, and create
8 jobs. Lack of industrial sites and buildings also affects the ability
9 of communities to maintain and develop stable and growth-prone
10 economies.

11 Furthermore, the Legislature finds that Nebraska is at a
12 competitive disadvantage for business development relative to other
13 states in the nation due to a lack of appropriately sized industrial
14 sites and buildings available for business relocations to Nebraska
15 and expansions. The future of investment and jobs in Nebraska will
16 suffer should the state continue to ignore this challenge.

17 To enhance the economic development of the state and to
18 provide for the general prosperity of all of Nebraska's citizens, it
19 is in the public interest to assist in the provision of industrial-
20 ready sites and buildings in all areas of the state. The
21 establishment of the Site and Building Development Fund will assist
22 in creating conditions favorable to meeting the industrial readiness
23 of the state.

24 Sec. 3. The Site and Building Development Fund is
25 created. The fund shall receive money pursuant to section 76-903 and

1 may include revenue from appropriations from the Legislature, grants,
2 private contributions, repayment of loans, and all other sources. The
3 Department of Economic Development, as part of its comprehensive
4 business development strategy, shall administer the fund.

5 The State Treasurer shall transfer three million dollars
6 from the Affordable Housing Trust Fund to the Site and Building
7 Development Fund on or after October 1, 2011, but no later than
8 October 10, 2011.

9 Sec. 4. The Department of Economic Development shall use
10 the Site and Building Development Fund to finance loans, grants,
11 subsidies, credit enhancements, and other financial assistance for
12 industrial site and building development and for expenses of the
13 department as appropriated by the Legislature for administering the
14 fund. The following activities are eligible for assistance from the
15 fund:

16 (1) Grants or zero interest loans to villages, cities, or
17 counties to acquire land, infuse infrastructure, or otherwise make
18 large sites and buildings ready for industrial development;

19 (2) Matching funds for new construction, rehabilitation,
20 or acquisition of land and buildings to assist villages, cities, and
21 counties;

22 (3) Technical assistance, design and finance services,
23 and consultation for villages, cities, and counties for the creation
24 of industrial-ready sites and buildings;

25 (4) Loan guarantees for eligible projects;

1 (5) Projects making industrial-ready sites and buildings
2 more accessible to business and industry; and

3 (6) Infrastructure projects necessary for the development
4 of industrial-ready sites and buildings.

5 Sec. 5. Governmental subdivisions and Nebraska nonprofit
6 organizations are eligible to receive assistance under the Site and
7 Building Development Act. Any entity receiving assistance under the
8 act shall provide, or cause to be provided, matching funds for the
9 eligible activity in an amount determined by the Department of
10 Economic Development, which amount shall be at least equal to one
11 hundred percent of the amount of assistance provided by the fund.
12 Nothing in the act shall be construed to allow individuals or
13 businesses to receive direct loans from the fund.

14 Sec. 6. (1) During each calendar year in which funds are
15 available from the Site and Building Development Fund for use by the
16 Department of Economic Development, the department shall allocate a
17 specific amount of funds, not less than forty percent, to
18 nonmetropolitan areas. For purposes of this section, nonmetropolitan
19 areas means counties with fewer than one hundred thousand inhabitants
20 according to the most recent federal decennial census. In selecting
21 projects to receive fund assistance, the department shall develop a
22 qualified action plan by January 1 of each even-numbered year. The
23 plan shall give first priority to financially viable projects that
24 have an agreement with a business that will locate a site within
25 ninety days of the signed agreement. The plan shall set forth

1 selection criteria to be used to determine priorities of the fund
2 which are appropriate to local conditions, including the community's
3 immediate need for site and building development, proposed increases
4 in jobs and investment, private dollars leveraged, level of local
5 government support and participation, and repayment, in part or in
6 whole, of financial assistance awarded by the fund. The Director of
7 Economic Development, in consultation with the Economic Development
8 Commission, shall submit the plan to the Governor for approval.

9 (2) The department shall fund in order of priority as
10 many applications as will utilize available funds less actual
11 administrative costs of the department in administering the program.
12 In administering the program the department may contract for services
13 or directly provide funds to other governmental entities or
14 instrumentalities.

15 Sec. 7. The Department of Economic Development, in
16 consultation with the Economic Development Commission, shall adopt
17 and promulgate rules and regulations to carry out the Site and
18 Building Development Act.

19 Sec. 8. The Department of Economic Development shall
20 submit an annual report regarding the Site and Building Development
21 Act to the Legislature no later than July 1 of each year beginning
22 July 1, 2012. The report shall contain no information that is
23 protected by state or federal confidentiality laws.

24 Sec. 9. Section 58-702, Reissue Revised Statutes of
25 Nebraska, is amended to read:

1 58-702 The Legislature finds that current economic
2 conditions, lack of available affordable housing, federal housing
3 policies that have placed an increasing burden on the state, and
4 declining resources at all levels of government adversely affect the
5 ability of Nebraska's citizens to obtain safe, decent, and affordable
6 housing. Lack of affordable housing also affects the ability of
7 communities to maintain and develop viable and stable economies.

8 Furthermore, the Legislature finds that impediments exist
9 to the construction and rehabilitation of affordable housing. Local
10 codes and state statutes have an important effect on housing's
11 affordability by placing increased costs on developers. Financing
12 affordable housing, especially in rural areas and smaller
13 communities, is becoming increasingly difficult. In addition,
14 existing dilapidated housing stock and industrial buildings are
15 detrimental to new affordable housing development and the general
16 health and safety of people living and working in or around such
17 places. An affordable housing trust fund would assist all Nebraska
18 communities in financing affordable housing projects and other
19 projects which make the community safer for residents.

20 To enhance the economic development of the state and to
21 provide for the general prosperity of all of Nebraska's citizens, it
22 is in the public interest to assist in the provision of safe, decent,
23 and affordable housing in all areas of the state. The establishment
24 of the Nebraska Affordable Housing Act will assist in creating
25 conditions favorable to meeting the affordable housing needs of the

1 state.

2 Sec. 10. Section 58-703, Reissue Revised Statutes of
3 Nebraska, is amended to read:

4 58-703 The Affordable Housing Trust Fund is created. The
5 fund shall receive money pursuant to sections 8-1120 and 76-903 and
6 may include revenue from sources recommended by the housing advisory
7 committee established in section 58-704, appropriations from the
8 Legislature, grants, private contributions, repayment of loans, and
9 all other sources, except that before appropriations from the General
10 Fund may be used as a revenue source for the Affordable Housing Trust
11 Fund or for administrative costs of the Department of Economic
12 Development in administering the fund, such use must be specifically
13 authorized by a separate legislative bill passed in a legislative
14 session subsequent to the Ninety-fourth Legislature, Second Session,
15 1996. Any initial appropriation from the General Fund which is used
16 as a revenue source for the Affordable Housing Trust Fund or for
17 administrative costs shall be in an appropriations bill which does
18 not contain appropriations for other programs. The department as part
19 of its comprehensive housing affordability strategy shall administer
20 the Affordable Housing Trust Fund.

21 Transfers may be made from the Affordable Housing Trust
22 Fund to the General Fund, ~~and the Behavioral Health Services Fund,~~
23 ~~and the Site and Building Development Fund~~ at the direction of the
24 Legislature. ~~The State Treasurer shall make transfers from the~~
25 ~~Affordable Housing Trust Fund to the General Fund according to the~~

1 following schedule: (1) ~~\$1,500,000 on or after July 1, 2005, but no~~
2 ~~later than July 10, 2005; and (2) \$1,500,000 on or after July 1,~~
3 ~~2006, but no later than July 10, 2006. The State Treasurer shall~~
4 ~~transfer \$2,000,000 from the Affordable Housing Trust Fund to the~~
5 ~~Behavioral Health Services Fund on or after July 1, 2005, but not~~
6 ~~later than July 10, 2005.~~

7 Sec. 11. Section 58-706, Reissue Revised Statutes of
8 Nebraska, is amended to read:

9 58-706 The following activities are eligible for
10 assistance from the Affordable Housing Trust Fund:

11 (1) New construction, rehabilitation, or acquisition of
12 housing to assist low-income and very low-income families;

13 (2) Matching funds for new construction, rehabilitation,
14 or acquisition of housing units to assist low-income and very low-
15 income families;

16 (3) Technical assistance, design and finance services,
17 and consultation for eligible nonprofit community or neighborhood-
18 based organizations involved in the creation of affordable housing;

19 (4) Matching funds for operating costs for housing
20 assistance groups or organizations when such grant or loan will
21 substantially increase the recipient's ability to produce affordable
22 housing;

23 (5) Mortgage insurance guarantees for eligible projects;

24 (6) Acquisition of housing units for the purpose of
25 preservation of housing to assist low-income or very low-income

1 families;

2 (7) Projects making affordable housing more accessible to
3 families with elderly members or members who have disabilities;

4 (8) Projects providing housing in areas determined by the
5 Department of Economic Development to be of critical importance for
6 the continued economic development and economic well-being of the
7 community and where, as determined by the department, a shortage of
8 affordable housing exists;

9 (9) Infrastructure projects necessary for the development
10 of affordable housing;

11 (10) Downpayment and closing cost assistance; ~~and~~

12 (11) Demolition of existing vacant, condemned, or
13 obsolete housing or industrial buildings or infrastructure; and

14 ~~(11)~~—(12) Housing education programs developed in
15 conjunction with affordable housing projects. The education programs
16 must be directed toward:

17 (a) Preparing potential home buyers to purchase
18 affordable housing and postpurchase education;

19 (b) Target audiences eligible to utilize the services of
20 housing assistance groups or organizations; and

21 (c) Developers interested in the rehabilitation,
22 acquisition, or construction of affordable housing.

23 Sec. 12. Section 76-903, Reissue Revised Statutes of
24 Nebraska, is amended to read:

25 76-903 The Tax Commissioner shall design such stamps in

1 such denominations as in his or her judgment will be the most
2 advantageous to all persons concerned. When any deed subject to the
3 tax imposed by section 76-901 is offered for recordation, the
4 register of deeds shall ascertain and compute the amount of the tax
5 due thereon and shall collect such amount as a prerequisite to
6 acceptance of the deed for recordation. If a dispute arises
7 concerning the taxability of the transfer, the register of deeds
8 shall not record the deed until the disputed tax is paid. If a
9 disputed tax has been paid, the taxpayer may file for a refund
10 pursuant to section 76-908. The taxpayer may also seek a declaratory
11 ruling pursuant to rules and regulations adopted and promulgated by
12 the Department of Revenue. From each two dollars and twenty-five
13 cents of tax collected pursuant to section 76-901, the register of
14 deeds shall retain fifty cents to be placed in the county general
15 fund and shall remit the balance to the State Treasurer who shall
16 credit ~~one dollar and twenty-nine~~ ninety cents of such amount to the
17 Affordable Housing Trust Fund, thirty cents to the Site and Building
18 Development Fund, twenty-five cents of such amount to the Homeless
19 Shelter Assistance Trust Fund, and thirty cents of such amount to the
20 Behavioral Health Services Fund.

21 Sec. 13. This act becomes operative on October 1, 2011.

22 Sec. 14. Original sections 58-702, 58-703, 58-706, and
23 76-903, Reissue Revised Statutes of Nebraska, are repealed.