

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 57**

Introduced by Mello, 5.

Read first time January 06, 2011

Committee: Urban Affairs

A BILL

1 FOR AN ACT relating to the Local Option Municipal Economic  
2 Development Act; to amend sections 18-2709 and 18-2717,  
3 Reissue Revised Statutes of Nebraska; to redefine a  
4 qualifying business; to remove a restriction on  
5 appropriations of funds; and to repeal the original  
6 sections.

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

1           Section 1. Section 18-2709, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           18-2709 (1) Qualifying business shall mean means any  
4 corporation, partnership, limited liability company, or sole  
5 proprietorship which derives its principal source of income from any  
6 of the following: The manufacture of articles of commerce; the  
7 conduct of research and development; the processing, storage,  
8 transport, or sale of goods or commodities which are sold or traded  
9 in interstate commerce; the sale of services in interstate commerce;  
10 headquarters facilities relating to eligible activities as listed in  
11 this section; telecommunications activities, including services  
12 providing advanced telecommunications capability; or tourism-related  
13 activities.

14           (2) Qualifying business also means:

15           (a) In cities of the first and second class and villages,  
16 a business ~~shall also be a qualifying business if it~~ that derives its  
17 principal source of income from the construction or rehabilitation of  
18 housing;

19           (b) A . ~~In cities with a population of more than two~~  
20 ~~thousand five hundred inhabitants and less than ten thousand~~  
21 ~~inhabitants, a business shall also be a qualifying business if it~~  
22 that derives its principal source of income from retail trade, except  
23 that no more than forty percent of the total revenue generated  
24 pursuant to the Local Option Municipal Economic Development Act for  
25 an economic development program in any twelve-month period and no

1 more than twenty percent of the total revenue generated pursuant to  
2 the act for an economic development program in any five-year period,  
3 commencing from the date of municipal approval of an economic  
4 development program, shall be used by the city for or devoted to the  
5 use of retail trade businesses. For purposes of this ~~section,~~  
6 subdivision, retail trade ~~shall mean means~~ a business which is  
7 principally engaged in the sale of goods or commodities to ultimate  
8 consumers for their own use or consumption and not for resale; and -

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

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

23           (4) A qualifying business need not be located within the  
24 territorial boundaries of the city from which it is or will be  
25 receiving financial assistance.

1                   Sec. 2. Section 18-2717, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3                   18-2717 (1) No city shall appropriate from funds derived  
4 directly from local sources of revenue for all approved economic  
5 development programs, in each year during which such programs are in  
6 existence, an amount in excess of four-tenths of one percent of the  
7 taxable valuation of the city in the year in which the funds are  
8 collected.

9                   ~~(2) Notwithstanding the provisions of subsections (1) and~~  
10 ~~(3) of this section, no city of the metropolitan or primary class~~  
11 ~~shall appropriate from funds derived directly from local sources of~~  
12 ~~revenue more than three million dollars for all approved economic~~  
13 ~~development programs in any one year, no city of the first class~~  
14 ~~shall appropriate from funds derived directly from local sources of~~  
15 ~~revenue more than two million dollars for all approved economic~~  
16 ~~development programs in any one year, and no city of the second class~~  
17 ~~or village shall appropriate from funds derived directly from local~~  
18 ~~sources of revenue more than one million dollars for all approved~~  
19 ~~economic development programs in any one year.~~

20                   ~~(3)~~(2) Notwithstanding the provisions of ~~subsections~~  
21 subsection (1) ~~and (2)~~ of this section, no city shall appropriate  
22 from funds derived directly from local sources of revenue an amount  
23 for an economic development program in excess of the total amount  
24 approved by the voters at the election or elections in which the  
25 economic development program was submitted or amended.

1           ~~(4)~~-(3) The restrictions on the appropriation of funds  
2 from local sources of revenue as set out in subsections (1) ~~through~~  
3 ~~(3)~~ and (2) of this section shall apply only to the appropriation of  
4 funds derived directly from local sources of revenue. Sales tax  
5 collections in excess of the amount which may be appropriated as a  
6 result of the restrictions set out in such subsections shall be  
7 deposited in the city's economic development fund and invested as  
8 provided for in section 18-2718. Any funds in the city's economic  
9 development fund not otherwise restricted from appropriation by  
10 reason of the city's ordinance governing the economic development  
11 program or this section may be appropriated and spent for the  
12 purposes of the economic development program in any amount and at any  
13 time at the discretion of the governing body of the city subject only  
14 to section 18-2716.

15           ~~(5)~~-(4) The restrictions on the appropriation of funds  
16 from local sources of revenue shall not apply to the reappropriation  
17 of funds which were appropriated but not expended during previous  
18 fiscal years.

19           Sec. 3. Original sections 18-2709 and 18-2717, Reissue  
20 Revised Statutes of Nebraska, are repealed.