

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 531

Introduced by McKinney, 11.

Read first time January 17, 2023

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Economic Recovery Act; to amend
2 sections 81-12,241, 81-12,243, and 81-12,244, Revised Statutes
3 Cumulative Supplement, 2022; to change provisions relating to the
4 Economic Recovery Incentives Division of the Department of Economic
5 Development, the Qualified Census Tract Recovery Grant Program, and
6 the Economic Recovery Contingency Fund; to eliminate an obsolete
7 provision; to provide for credit of investment earnings; to change
8 restrictions on the use of intended appropriations; to harmonize
9 provisions; to repeal the original sections; and to declare an
10 emergency.

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

1 Section 1. Section 81-12,241, Revised Statutes Cumulative
2 Supplement, 2022, is amended to read:

3 81-12,241 (1) A primary responsibility of the Economic Recovery and
4 Incentives Division of the Department of Economic Development shall be to
5 utilize federal or state funding to award grants as provided in this
6 section. ~~The division shall develop a coordinated plan and a grant
7 application and scoring process to award grants under subsection (3) of
8 this section.~~

9 (2) The ~~division~~ coordinated plan developed pursuant to this section
10 shall direct and prioritize the use of grants awarded under this section
11 toward the economic recovery of those communities and neighborhoods
12 within qualified census tracts ~~located within the boundaries of a city of~~
13 ~~the metropolitan class~~ that were disproportionately impacted by the
14 COVID-19 public health emergency and related challenges, with an emphasis
15 on housing needs, assistance for small businesses, job training, and
16 business development within such communities and neighborhoods. In
17 prioritizing the use of grants used within the boundaries of a city of
18 the metropolitan class, the Economic Recovery and Incentives Division
19 shall ~~may~~ rely on any studies produced pursuant to section 81-12,242. ~~Not~~
20 ~~later than August 1, 2022, the division shall submit a copy of an initial~~
21 ~~coordinated plan to the Economic Recovery Special Committee of the~~
22 ~~Legislature. Not later than December 1, 2022, the division shall submit a~~
23 ~~final copy of such coordinated plan to the Economic Recovery Special~~
24 ~~Committee of the Legislature.~~

25 (3)(a) The Economic Recovery and Incentives Division shall create a
26 Qualified Census Tract Recovery Grant Program to provide funding to
27 public and private entities located within qualified census tracts
28 throughout the state to respond to the negative impact of the COVID-19
29 public health emergency.

30 (b) Not to exceed ten million dollars in grants shall be distributed
31 under the grant program to eligible grantees in qualified census tracts

1 that are located in a city of the primary class.

2 (c) Not to exceed ten million dollars in grants shall be distributed
3 under the grant program to eligible grantees in qualified census tracts
4 that are located outside of a city of the metropolitan class or a city of
5 the primary class.

6 (d)(i) ~~(d)~~ All remaining funds shall be allocated for grants
7 distributed under the grant program to eligible grantees in qualified
8 census tracts that are located in a city of the metropolitan class not to
9 exceed: ~~, with no less than thirty-five million dollars in such grants~~
10 ~~allocated to eligible grantees which are located south of Dodge Street~~
11 ~~and east of 72nd Street in such city and no less than fifty-five million~~
12 ~~dollars in such grants allocated to eligible grantees which are located~~
13 ~~north of Dodge Street and east of 72nd Street in such city.~~

14 (A) XX dollars in such grants to eligible grantees that are located
15 XX; and

16 (B) XX dollars in such grants to eligible grantees that are located
17 XX.

18 (ii) Any funds not applied for within such areas may be allocated
19 for grants to eligible grantees in any qualified census tract in such
20 city.

21 (4) In addition to grants under the Qualified Census Tract Recovery
22 Grant Program, the Economic Recovery and Incentives Division shall
23 provide grant funding for the following purposes:

24 (a) Not to exceed sixty million dollars in grants to a nonprofit
25 economic development organization for the development of a business park
26 located within or adjacent to one or more qualified census tracts located
27 within the boundaries of a city of the metropolitan class and within two
28 miles of a major airport as defined in section 13-3303;

29 (b) Not to exceed thirty million dollars in grants to one or more
30 innovation hubs located in one or more qualified census tracts and within
31 two miles of a major airport as defined in section 13-3303 providing

1 services and resources within qualified census tracts located within the
2 boundaries of a city of the metropolitan class;

3 (c) Not to exceed three million dollars in grants in fiscal year
4 2022-23 and not to exceed three million dollars in fiscal year 2023-24 to
5 a nonprofit organization partnering with a city of the metropolitan class
6 for the purpose of providing internships and crime prevention within
7 qualified census tracts located within the boundaries of such city;

8 (d) Not to exceed five million dollars in grants pursuant to the
9 purposes of the Nebraska Film Office Fund on or before June 30, 2023, for
10 the purpose of producing a film on Chief Standing Bear, a portion of
11 which is to be filmed in one or more qualified census tracts located
12 within the boundaries of a city of the metropolitan class;

13 (e) Not to exceed twenty million dollars in grants to public or
14 private entities to prepare land parcels for affordable housing or
15 conduct other eligible affordable housing interventions under the federal
16 American Rescue Plan Act of 2021 including production, rehabilitation,
17 and preservation of affordable rental housing and affordable
18 homeownership units within qualified census tracts which are located in a
19 city of the metropolitan class;

20 (f) Not to exceed twenty million dollars in grants to public or
21 private entities to prepare land parcels for affordable housing or
22 conduct other eligible affordable housing interventions under the federal
23 American Rescue Plan Act of 2021 including production, rehabilitation,
24 and preservation of affordable rental housing and affordable
25 homeownership units within qualified census tracts which are located in a
26 city of the primary class;

27 (g) Not to exceed five million dollars in grants to a county
28 agricultural society with facilities within a city of the primary class
29 to recoup lost revenue; and

30 (h) Not to exceed one million dollars in grants to a postsecondary
31 institution located in a qualified census tract in a city of the

1 metropolitan class to provide funding for a financial literacy program to
2 improve economic and health outcomes for individuals residing in
3 qualified census tracts.

4 (5) For purposes of subdivisions (4)(e) and (f) of this section,
5 preparing land parcels shall include:

6 (a) Laying drinking water mains, lines, pipes, or channels;

7 (b) Rehabilitation, renovation, maintenance, or other costs to
8 secure vacant or abandoned properties in disproportionately impacted
9 communities;

10 (c) Acquiring and securing legal title of vacant or abandoned
11 properties in disproportionately impacted communities;

12 (d) Removal and remediation of environmental contaminants or hazards
13 from vacant or abandoned properties in disproportionately impacted
14 communities when conducted in compliance with applicable environmental
15 laws or regulations;

16 (e) Demolition or deconstruction of vacant or abandoned buildings in
17 disproportionately impacted communities; and

18 (f) Costs associated with inspection fees and other administrative
19 costs incurred to ensure compliance with applicable environmental laws
20 and regulations for demolition or other remediation activities in
21 disproportionately impacted communities.

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

28 (7) The Economic Recovery and Incentives Division shall not create
29 any additional requirements for an eligible grantee under this section
30 other than those requirements specifically provided under the federal
31 American Rescue Plan Act of 2021 or the Economic Recovery Act.

1 Sec. 2. Section 81-12,243, Revised Statutes Cumulative Supplement,
2 2022, is amended to read:

3 81-12,243 (1) The Economic Recovery Contingency Fund is created. The
4 fund shall consist of transfers by the Legislature to carry out the
5 Economic Recovery Act. Any money in the fund available for investment
6 shall be invested by the state investment officer pursuant to the
7 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
8 Act. Investment earnings on and after July 1, 2023, shall be credited to
9 the fund.

10 (2) No funds shall be expended from the Economic Recovery
11 Contingency Fund until at least thirty days after the effective date of
12 this act ~~the Economic Recovery and Incentives Division of the Department~~
13 ~~of Economic Development has submitted a final copy of its coordinated~~
14 ~~plan to the Economic Recovery Special Committee of the Legislature~~
15 ~~pursuant to section 81-12,241 and to the budget administrator of the~~
16 ~~budget division of the Department of Administrative Services.~~

17 Sec. 3. Section 81-12,244, Revised Statutes Cumulative Supplement,
18 2022, is amended to read:

19 81-12,244 (1) It is the intent of the Legislature to appropriate two
20 hundred fifty million dollars from federal funds for fiscal year 2022-23
21 to the Department of Economic Development to carry out the Economic
22 Recovery Act. The federal funds described in this subsection are the
23 funds allocated to the State of Nebraska from the federal Coronavirus
24 State Fiscal Recovery Fund pursuant to the federal American Rescue Plan
25 Act of 2021, 42 U.S.C. 802, as amended. The department may use not more
26 than ten million dollars of such federal funds for the administration of
27 the Economic Recovery Act.

28 (2) Of the intended appropriation described in subsection (1) of
29 this section, eighty million dollars of such federal funds shall not be
30 expended by the Department of Economic Development until at least thirty
31 days after the effective date of this act ~~the Economic Recovery and~~

1 ~~Incentives Division of the department has submitted a final copy of its~~
2 ~~coordinated plan to the Economic Recovery Special Committee of the~~
3 ~~Legislature pursuant to section 81-12,241.~~

4 (3) The State Treasurer shall transfer any interest earned after
5 April 19, 2022, on federal funds allocated to the State of Nebraska from
6 the federal Coronavirus State Fiscal Recovery Fund pursuant to the
7 federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended, to
8 the Economic Recovery Contingency Fund on such dates and in such amounts
9 as directed by the budget administrator of the budget division of the
10 Department of Administrative Services.

11 (4) It is the intent of the Legislature that any unobligated amount
12 as of July 1, 2024, of the federal funds allocated to the State of
13 Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant
14 to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as
15 amended, be appropriated to the Department of Economic Development to
16 carry out the Economic Recovery Act no later than August 1, 2024.

17 (5) It is the intent of the Legislature to appropriate ten million
18 dollars from the General Fund to the Department of Economic Development
19 for fiscal year 2022-23 to provide grants under the Economic Recovery
20 Act.

21 (6) It is the intent of the Legislature to transfer ten million
22 dollars from the General Fund to the Economic Recovery Contingency Fund
23 for fiscal year 2023-24 and ten million dollars from the General Fund to
24 the Economic Recovery Contingency Fund for fiscal year 2024-25 to provide
25 grants under the Economic Recovery Act.

26 (7) The Department of Economic Development shall not use money from
27 the General Fund to implement or administer the grants provided under the
28 Economic Recovery Act.

29 Sec. 4. Original sections 81-12,241, 81-12,243, and 81-12,244,
30 Revised Statutes Cumulative Supplement, 2022, are repealed.

31 Sec. 5. Since an emergency exists, this act takes effect when

1 passed and approved according to law.