

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 290

FINAL READING

Introduced by Urban Affairs Committee: McKinney, 11, Chairperson;
Cavanaugh, J., 9; Clouse, 37; Quick, 35; Rountree, 3.

Read first time January 15, 2025

Committee: Urban Affairs

- 1 A BILL FOR AN ACT relating to the Economic Recovery Act; to amend section
- 2 81-12,241, Reissue Revised Statutes of Nebraska; to change
- 3 provisions relating to grant funding for a business park; and to
- 4 repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 81-12,241, Reissue Revised Statutes of Nebraska,
2 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. For grants awarded under this section, the division shall pay a
7 grantee an advance of fifty percent of the total grant awarded with the
8 remaining grant funds paid on a monthly basis until the grant is paid in
9 full or by December 31, 2026, whichever occurs sooner. The division may
10 (a) require a grantee to return unused grant funds upon a documented
11 finding that such funds are not being used for the purpose for which the
12 grant was awarded or (b) reduce any future monthly payments by the amount
13 of such unused funds already paid.

14 (2) The division shall direct and prioritize the use of grants
15 awarded under this section toward the economic recovery of those
16 communities and neighborhoods within qualified census tracts or economic
17 redevelopment areas located within the boundaries of a city of the
18 metropolitan class that were disproportionately impacted by the COVID-19
19 public health emergency and related challenges, with an emphasis on
20 housing needs, assistance for small businesses, job training, and
21 business development within such communities and neighborhoods. In
22 prioritizing the use of grants awarded within the boundaries of a city of
23 the metropolitan class, the Economic Recovery and Incentives Division
24 shall rely on any studies produced pursuant to section 81-12,242.

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) All remaining funds shall be allocated for grants distributed
7 under the grant program to eligible grantees in qualified census tracts
8 that are located in a city of the metropolitan class.

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

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

15 (a) Not to exceed ninety million dollars in grants to a nonprofit
16 economic development organization for the development of a business park
17 located within or adjacent to one or more qualified census tracts located
18 within the boundaries of a city of the metropolitan class and within the
19 boundaries of an inland port district located within a city of the
20 metropolitan class. Grant funds shall not be used in the downtown area or
21 northern downtown area of a city of the metropolitan class ~~two miles of a~~
22 ~~major airport as defined in section 13-3303.~~ An innovation hub as defined
23 in section 81-12,108 shall not qualify for a grant under this
24 subdivision. Before the release of such grant funds, the division shall:

25 (i) Require each recipient of a grant under this subdivision (a) to
26 attend all meetings of the community advisory committee created pursuant
27 to section 13-3306.01;

28 (ii) Require each grant recipient to establish a distinct bank
29 account exclusively for the management of grant funds received under this
30 subdivision (a). All proceeds from the lease, sale, or purchase of any
31 real property in the business park by any grant recipient shall only be

1 used for the business park for a minimum of fifteen years after receipt
2 of the grant funding; and

3 (iii) Not release any funds other than the planning grant to any
4 recipient of a grant under this subdivision (a) until the following
5 occurs:

6 (A) The division receives from the grantee a ten-year financial pro
7 forma and the grantee completes due diligence on such ten-year financial
8 pro forma;

9 (B) The grantee holds two public input meetings to receive public
10 input regarding concerns, ideas, and priorities for economic development
11 initiatives within the business park. Such public input meetings shall
12 provide a platform for dialogue and collaboration between residents, the
13 developer, local government officials, and other stakeholders; and

14 (C) A letter of support is received from the inland port authority
15 managing the inland port district in which such business park is located;

16 (b) Not to exceed six million dollars in grants to a nonprofit
17 organization partnering with a city of the metropolitan class for the
18 purpose of providing internships and crime prevention within qualified
19 census tracts located within the boundaries of such city;

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

25 (d) Not to exceed twenty million dollars in grants to public or
26 private entities to prepare land parcels for affordable housing or
27 conduct other eligible affordable housing interventions under the federal
28 American Rescue Plan Act of 2021 including production, rehabilitation,
29 and preservation of affordable rental housing and affordable
30 homeownership units within qualified census tracts which are located in a
31 city of the metropolitan class;

1 (e) Not to exceed twenty million dollars in grants to public or
2 private entities to prepare land parcels for affordable housing or
3 conduct other eligible affordable housing interventions under the federal
4 American Rescue Plan Act of 2021 including production, rehabilitation,
5 and preservation of affordable rental housing and affordable
6 homeownership units within qualified census tracts which are located in a
7 city of the primary class;

8 (f) Not to exceed five million dollars in grants to a county
9 agricultural society with facilities within a city of the primary class
10 to recoup lost revenue; and

11 (g) Not to exceed one million dollars in grants to a postsecondary
12 institution located in a qualified census tract in a city of the
13 metropolitan class to provide funding for a financial literacy program to
14 improve economic and health outcomes for individuals residing in
15 qualified census tracts.

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

18 (a) Costs and fees associated with legal land surveys and structural
19 assessments;

20 (b) Laying drinking water mains, lines, pipes, or channels;

21 (c) Development of access to essential utilities, such as sanitary
22 sewer, electric, gas, and high-speed Internet;

23 (d) Rehabilitation, renovation, maintenance, or other costs to
24 secure vacant or abandoned properties in disproportionately impacted
25 communities;

26 (e) Acquiring and securing legal title of vacant or abandoned
27 properties in disproportionately impacted communities;

28 (f) Testing, removal, and remediation of environmental contaminants
29 or hazards from vacant or abandoned properties in disproportionately
30 impacted communities when conducted in compliance with applicable
31 environmental laws or regulations;

1 (g) Demolition or deconstruction of vacant or abandoned buildings in
2 disproportionately impacted communities; and

3 (h) Costs associated with inspection fees and other administrative
4 costs incurred to ensure compliance with applicable environmental laws
5 and regulations for demolition or other remediation activities in
6 disproportionately impacted communities.

7 (6) All grants made by the Economic Recovery and Incentives Division
8 utilizing federal funds allocated to the State of Nebraska from the
9 federal Coronavirus State Fiscal Recovery Fund under the federal American
10 Rescue Plan Act of 2021 shall meet the eligible uses under such act and
11 any relevant guidance on the use of such funds by the United States
12 Department of the Treasury.

13 (7) All grants made by the Economic Recovery and Incentives Division
14 utilizing state funds to carry out subsection (2) of section 81-1239 are
15 subject to the intent and basic parameters of the federal American Rescue
16 Plan Act of 2021 but are not subject to meet the time restraints for
17 allocation and spending of funds or the federal reporting requirements
18 indicated in the federal American Rescue Plan Act of 2021.

19 **Sec. 2.** Original section 81-12,241, Reissue Revised Statutes of
20 Nebraska, is repealed.