

## LEGISLATIVE BILL 290

Approved by the Governor May 30, 2025

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

A BILL FOR AN ACT relating to the Economic Recovery Act; to amend section 81-12,241, Reissue Revised Statutes of Nebraska; to change provisions relating to grant funding for a business park; and to repeal the original section.

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

**Section 1.** Section 81-12,241, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,241 (1) A primary responsibility of the Economic Recovery and Incentives Division of the Department of Economic Development shall be to utilize federal or state funding to award grants as provided in this section. For grants awarded under this section, the division shall pay a grantee an advance of fifty percent of the total grant awarded with the remaining grant funds paid on a monthly basis until the grant is paid in full or by December 31, 2026, whichever occurs sooner. The division may (a) require a grantee to return unused grant funds upon a documented finding that such funds are not being used for the purpose for which the grant was awarded or (b) reduce any future monthly payments by the amount of such unused funds already paid.

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

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

(b) Not to exceed ten million dollars in grants shall be distributed under the grant program to eligible grantees in qualified census tracts that are located in a city of the primary class.

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

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

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

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

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

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

(ii) Require each grant recipient to establish a distinct bank account exclusively for the management of grant funds received under this subdivision (a). All proceeds from the lease, sale, or purchase of any real property in the business park by any grant recipient shall only be used for the business park for a minimum of fifteen years after receipt of the grant funding; and

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

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

(B) The grantee holds two public input meetings to receive public input regarding concerns, ideas, and priorities for economic development initiatives within the business park. Such public input meetings shall provide a platform

for dialogue and collaboration between residents, the developer, local government officials, and other stakeholders; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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