

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 924

Introduced by McGill, 26.

Read first time January 15, 2014

Committee:

A BILL

1 FOR AN ACT relating to the Local Option Municipal Economic
2 Development Act; to amend section 18-2709, Reissue
3 Revised Statutes of Nebraska, and section 18-2705,
4 Revised Statutes Supplement, 2013; to redefine terms; and
5 to repeal the original sections.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 18-2705, Revised Statutes Supplement,
2 2013, is amended to read:

3 18-2705 Economic development program means any project or
4 program utilizing funds derived from local sources of revenue for the
5 purpose of providing direct or indirect financial assistance to a
6 qualifying business or the payment of related costs and expenses or
7 both, without regard to whether that business is identified at the
8 time the project or program is initiated or is to be determined by
9 specified means at some time in the future. An economic development
10 program may include, but shall not be limited to, the following
11 activities: Direct loans or grants to qualifying businesses for fixed
12 assets or working capital or both; loan guarantees for qualifying
13 ~~business;~~ businesses; grants for public works improvements which are
14 essential to the location or expansion of, or the provision of new
15 services by, a qualifying business; grants or loans to qualifying
16 businesses for job training; the purchase of real estate, options for
17 such purchases, and the renewal or extension of such options; grants
18 or loans to qualifying businesses to provide relocation incentives
19 for new residents; the issuance of bonds as provided for in the Local
20 Option Municipal Economic Development Act; and payments for salaries
21 and support of city staff to implement the economic development
22 program or the contracting of such to an outside entity. For cities
23 of the first and second class and villages, an economic development
24 program may also include grants or loans for the construction or
25 rehabilitation for sale or lease of housing for persons of low or

1 moderate income. For cities of the first and second class and
2 villages, an economic development program may also include grants,
3 loans, or funds for rural infrastructure development as defined in
4 section 66-2102. An economic development program may be conducted
5 jointly by two or more cities after the approval of the program by
6 the voters of each participating city.

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

9 18-2709 (1) Qualifying business means any corporation,
10 partnership, limited liability company, or sole proprietorship which
11 derives its principal source of income from any of the following: The
12 manufacture of articles of commerce; the conduct of research and
13 development; the processing, storage, transport, or sale of goods or
14 commodities which are sold or traded in interstate commerce; the sale
15 of services in interstate commerce; headquarters facilities relating
16 to eligible activities as listed in this section; telecommunications
17 activities, including services providing advanced telecommunications
18 capability; tourism-related activities; or the production of films,
19 including feature, independent, and documentary films, commercials,
20 and television programs.

21 (2) Qualifying business also means:

22 (a) In cities of the first and second class and villages,
23 a business that derives its principal source of income from the
24 construction or rehabilitation of housing;

25 (b) A business that derives its principal source of

1 income from retail trade, except that no more than forty percent of
2 the total revenue generated pursuant to the Local Option Municipal
3 Economic Development Act for an economic development program in any
4 twelve-month period and no more than twenty percent of the total
5 revenue generated pursuant to the act for an economic development
6 program in any five-year period, commencing from the date of
7 municipal approval of an economic development program, shall be used
8 by the city for or devoted to the use of retail trade businesses. For
9 purposes of this subdivision, retail trade means a business which is
10 principally engaged in the sale of goods or commodities to ultimate
11 consumers for their own use or consumption and not for resale; and

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

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

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

4 (5) Qualifying business does not include a political
5 subdivision, a state agency, or any other governmental entity.

6 Sec. 3. Original section 18-2709, Reissue Revised
7 Statutes of Nebraska, and section 18-2705, Revised Statutes
8 Supplement, 2013, are repealed.