

LEGISLATIVE BILL 457

Approved by the Governor May 29, 2015

Introduced by Gloor, 35; Scheer, 19.

A BILL FOR AN ACT relating to economic development; to amend sections 81-1213, 81-12,146, and 81-12,147, Reissue Revised Statutes of Nebraska, and section 58-708, Revised Statutes Cumulative Supplement, 2014; to terminate a fund; to change the Site and Building Development Act; to harmonize provisions; to repeal the original sections; and to declare an emergency. Be it enacted by the people of the State of Nebraska,

Section 1. Section 58-708, Revised Statutes Cumulative Supplement, 2014, is amended to read:

58-708 (1) During each calendar year in which funds are available from the Affordable Housing Trust Fund for use by the Department of Economic Development, the department shall allocate a specific amount of funds, not less than thirty percent, to each congressional district. The department shall announce a grant and loan application period of at least ninety days duration for all projects. In selecting projects to receive trust fund assistance, the department shall develop a qualified allocation plan and give first priority to financially viable projects that serve the lowest income occupants for the longest period of time. The qualified allocation plan shall:

(a) Set forth selection criteria to be used to determine housing priorities of the housing trust fund which are appropriate to local conditions, including the community's immediate need for affordable housing, proposed increases in home ownership, private dollars leveraged, level of local government support and participation, and repayment, in part or in whole, of financial assistance awarded by the fund; and

(b) Give first priority in allocating trust fund assistance among selected projects to those projects which are located in whole or in part within an enterprise zone designated pursuant to the Enterprise Zone Act, serve the lowest income occupant, and are obligated to serve qualified occupants for the longest period of time.

(2) The department shall fund in order of priority as many applications as will utilize available funds less actual administrative costs of the department in administering the program. In administering the program the department may contract for services or directly provide funds to other governmental entities or instrumentalities.

(3) The department may recapture any funds which were allocated to a qualified recipient for an eligible project through an award agreement if such funds were not utilized for eligible costs within the time of performance under the agreement and are therefor no longer obligated to the project. The recaptured funds shall be credited to the Affordable Housing Trust Fund Industrial Recovery Fund except as provided in ~~section 81-1213~~.

Sec. 2. Section 81-1213, Reissue Revised Statutes of Nebraska, is amended to read:

81-1213 (1) The Industrial Recovery Fund is created. The fund shall be administered by the Department of Economic Development. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) The department may provide assistance from the fund to a political subdivision impacted by a sudden and significant private-sector entity closure or downsizing that will have a significant impact on the community. The assistance shall be used to mitigate the economic impact of the closure or downsizing by making necessary improvements to the buildings and infrastructure, or both, related to the assets of the private-sector entity.

(3) The Industrial Recovery Fund terminates on the effective date of this act. Upon such date, the State Treasurer shall transfer fifty percent of the money in the fund to the Site and Building Development Fund and fifty percent of the money in the fund to the Affordable Housing Trust Fund ~~The fund shall consist of funds remitted for deposit in the fund pursuant to section 58-708. If the fund balance exceeds one million dollars, deposits to the fund pursuant to such section shall cease until the fund balance is less than one million dollars.~~

Sec. 3. Section 81-12,146, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,146 The Site and Building Development Fund is created. The fund shall receive money pursuant to section 76-903 and may include revenue from appropriations from the Legislature, grants, private contributions, repayment of loans, and all other sources. The Department of Economic Development, as part of its comprehensive business development strategy, shall administer the fund. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

~~The State Treasurer shall transfer one million dollars from the Affordable Housing Trust Fund to the Site and Building Development Fund on or after~~

~~January 1, 2012, but no later than January 10, 2012.~~

~~The State Treasurer shall transfer one million dollars from the Affordable Housing Trust Fund to the Site and Building Development Fund on or after January 1, 2013, but no later than January 10, 2013.~~

Sec. 4. Section 81-12,147, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,147 The Department of Economic Development shall use the Site and Building Development Fund to finance loans, grants, subsidies, credit enhancements, and other financial assistance for industrial site and building development and for expenses of the department as appropriated by the Legislature for administering the fund. The following activities are eligible for assistance from the fund:

(1) Grants or zero-interest loans to villages, cities, or counties to acquire land, infuse infrastructure, or otherwise make large sites and buildings ready for industrial development;

(2) Matching funds for new construction, rehabilitation, or acquisition of land and buildings to assist villages, cities, and counties;

(3) Technical assistance, design and finance services, and consultation for villages, cities, and counties for the preparation and creation of industrial-ready sites and buildings;

(4) Loan guarantees for eligible projects;

(5) Projects making industrial-ready sites and buildings more accessible to business and industry; ~~and~~

(6) Infrastructure projects necessary for the development of industrial-ready sites and buildings; ~~and~~ -

(7) Projects that mitigate the economic impact of a closure or downsizing of a private-sector entity by making necessary improvements to buildings and infrastructure.

Sec. 5. Original sections 81-1213, 81-12,146, and 81-12,147, Reissue Revised Statutes of Nebraska, and section 58-708, Revised Statutes Cumulative Supplement, 2014, are repealed.

Sec. 6. Since an emergency exists, this act takes effect when passed and approved according to law.