

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SIXTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 87**

Introduced by Wayne, 13.

Read first time January 10, 2019

Committee:

1 A BILL FOR AN ACT relating to the Department of Economic Development; to  
2 amend section 81-12,149, Reissue Revised Statutes of Nebraska, and  
3 sections 58-708, 81-1201.21, and 81-12,156, Revised Statutes  
4 Cumulative Supplement, 2018; to change provisions relating to the  
5 distribution of funds from the Affordable Housing Trust Fund, from  
6 the Site and Building Development Fund, from the Job Training Cash  
7 Fund, and under the Business Innovation Act; and to repeal the  
8 original sections.  
9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 58-708, Revised Statutes Cumulative Supplement,  
2 2018, is amended to read:

3 58-708 (1) During each calendar year in which funds are available  
4 from the Affordable Housing Trust Fund for use by the Department of  
5 Economic Development, the department shall make its best efforts to  
6 allocate not less than thirty percent of such funds to each congressional  
7 district. The department shall announce a grant and loan application  
8 period of at least ninety days duration for all projects. In selecting  
9 projects to receive trust fund assistance, the department shall develop a  
10 qualified allocation plan and give first priority to financially viable  
11 projects that serve the lowest income occupants for the longest period of  
12 time. The qualified allocation plan shall:

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

19 (b) Give first priority in allocating trust fund assistance among  
20 selected projects to those projects which are located in whole or in part  
21 within an enterprise zone designated pursuant to the Enterprise Zone Act  
22 or an opportunity zone designated pursuant to the federal Tax Cuts and  
23 Jobs Act, Public Law 115-97, serve the lowest income occupant, and are  
24 obligated to serve qualified occupants for the longest period of time.

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

30 (3) The department may recapture any funds which were allocated to a  
31 qualified recipient for an eligible project through an award agreement if

1 such funds were not utilized for eligible costs within the time of  
2 performance under the agreement and are therefor no longer obligated to  
3 the project. The recaptured funds shall be credited to the Affordable  
4 Housing Trust Fund.

5 Sec. 2. Section 81-1201.21, Revised Statutes Cumulative Supplement,  
6 2018, is amended to read:

7 81-1201.21 (1) There is hereby created the Job Training Cash Fund.  
8 The fund shall be under the direction of the Department of Economic  
9 Development. Money may be transferred to the fund pursuant to subdivision  
10 (1)(b)(iii) of section 48-621 and from the Cash Reserve Fund at the  
11 direction of the Legislature. The department shall establish a subaccount  
12 for all money transferred from the Cash Reserve Fund to the Job Training  
13 Cash Fund on or after July 1, 2005.

14 (2) The money in the Job Training Cash Fund or the subaccount  
15 established in subsection (1) of this section shall be used (a) to  
16 provide reimbursements for job training activities, including employee  
17 assessment, preemployment training, on-the-job training, training  
18 equipment costs, and other reasonable costs related to helping industry  
19 and business locate or expand in Nebraska, (b) to provide upgrade skills  
20 training of the existing labor force necessary to adapt to new technology  
21 or the introduction of new product lines, (c) as provided in section  
22 79-2308, or (d) as provided in section 48-3405. The department shall give  
23 a preference to job training activities carried out in whole or in part  
24 within an enterprise zone designated pursuant to the Enterprise Zone Act  
25 or an opportunity zone designated pursuant to the federal Tax Cuts and  
26 Jobs Act, Public Law 115-97.

27 (3) The department shall establish a subaccount within the fund to  
28 provide training grants for training employees and potential employees of  
29 businesses that (a) employ twenty-five or fewer employees on the  
30 application date, (b) employ, or train for potential employment,  
31 residents of rural areas of Nebraska, or (c) are located in or employ, or

1 train for potential employment, residents of high-poverty areas as  
2 defined in section 81-1203. The department shall calculate the amount of  
3 prior year investment income earnings accruing to the fund and allocate  
4 such amount to the subaccount for training grants under this subsection.  
5 The subaccount shall also be used as provided in the Teleworker Job  
6 Creation Act. The department shall give a preference to training grants  
7 for businesses located in whole or in part within an enterprise zone  
8 designated pursuant to the Enterprise Zone Act.

9 (4) On April 5, 2018, any funds that were dedicated to carrying out  
10 sections 81-1210.01 to 81-1210.03 but were not yet expended shall be  
11 transferred to the Intern Nebraska Cash Fund.

12 (5) Any money in the Job Training Cash Fund available for investment  
13 shall be invested by the state investment officer pursuant to the  
14 Nebraska Capital Expansion Act and the Nebraska State Funds Investment  
15 Act.

16 Sec. 3. Section 81-12,149, Reissue Revised Statutes of Nebraska, is  
17 amended to read:

18 81-12,149 (1) During each calendar year in which funds are available  
19 from the Site and Building Development Fund for use by the Department of  
20 Economic Development, the department shall allocate a specific amount of  
21 funds, not less than forty percent, to nonmetropolitan areas. For  
22 purposes of this section, nonmetropolitan areas means counties with fewer  
23 than one hundred thousand inhabitants according to the most recent  
24 federal decennial census. In selecting projects to receive fund  
25 assistance, the department shall develop a qualified action plan by  
26 January 1 of each even-numbered year. The plan shall give first priority  
27 to financially viable projects that have an agreement with a business  
28 that will locate a site within ninety days of the signed agreement and to  
29 financially viable projects located in whole or in part within an  
30 enterprise zone designated pursuant to the Enterprise Zone Act or an  
31 opportunity zone designated pursuant to the federal Tax Cuts and Jobs

1 Act, Public Law 115-97. The plan shall set forth selection criteria to be  
2 used to determine priorities of the fund which are appropriate to local  
3 conditions, including the community's immediate need for site and  
4 building development, proposed increases in jobs and investment, private  
5 dollars leveraged, level of local government support and participation,  
6 and repayment, in part or in whole, of financial assistance awarded by  
7 the fund. The Director of Economic Development shall submit the plan to  
8 the Governor for approval.

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

14 Sec. 4. Section 81-12,156, Revised Statutes Cumulative Supplement,  
15 2018, is amended to read:

16 81-12,156 When selecting projects for funding under the Business  
17 Innovation Act, the department shall give a preference to projects  
18 located in whole or in part within an enterprise zone designated pursuant  
19 to the Enterprise Zone Act or an opportunity zone designated pursuant to  
20 the federal Tax Cuts and Jobs Act, Public Law 115-97.

21 Sec. 5. Original section 81-12,149, Reissue Revised Statutes of  
22 Nebraska, and sections 58-708, 81-1201.21, and 81-12,156, Revised  
23 Statutes Cumulative Supplement, 2018, are repealed.