

LEGISLATIVE BILL 863

Approved by the Governor April 5, 2012

Introduced by Coash, 27; Mello, 5; Fischer, 43; Cook, 13; McGill, 26; Nordquist, 7.

FOR AN ACT relating to the Local Option Municipal Economic Development Act; to amend section 18-2701, Reissue Revised Statutes of Nebraska, and section 18-2709, Revised Statutes Supplement, 2011; to redefine qualifying business to include film production; to provide duties for qualifying businesses; to harmonize provisions; and to repeal the original sections.

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

Section 1. Section 18-2701, Reissue Revised Statutes of Nebraska, is amended to read:

18-2701 Sections 18-2701 to 18-2738 and section 3 of this act shall be known and may be cited as the Local Option Municipal Economic Development Act.

Sec. 2. Section 18-2709, Revised Statutes Supplement, 2011, is amended to read:

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

(2) Qualifying business also means:

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

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

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

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

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

Sec. 3. A qualifying business which derives its principal source of income from the production of films, commercials, and television programs and which is utilizing an economic development program shall (1) provide notice to the Nebraska Film Office or its successor of each project for which the qualifying business intends to utilize the economic development program and (2) acknowledge in the production credits of the film, commercial, or television program the State of Nebraska and the city operating the economic development program. The acknowledgment shall be required only when production

credits are displayed and shall not be required if prohibited by local, state, or federal law, rule, or regulation.

Sec. 4. Original section 18-2701, Reissue Revised Statutes of Nebraska, and section 18-2709, Revised Statutes Supplement, 2011, are repealed.