

LEGISLATIVE BILL 566

Approved by the Governor May 25, 2021

Introduced by McDonnell, 5.

A BILL FOR AN ACT relating to economic development; to adopt the Shovel-Ready Capital Recovery and Investment Act; to authorize grants as prescribed; to create a fund; and to declare an emergency.
Be it enacted by the people of the State of Nebraska,

Section 1. Sections 1 to 8 of this act shall be known and may be cited as the Shovel-Ready Capital Recovery and Investment Act.

Sec. 2. The purpose of the Shovel-Ready Capital Recovery and Investment Act is to partner with the private sector by providing grants to qualified nonprofit organizations to assist such organizations with capital projects that have been delayed due to COVID-19 and that will provide a positive economic impact in the State of Nebraska.

Sec. 3. For purposes of the Shovel-Ready Capital Recovery and Investment Act:

(1) Capital project means a construction project to build, expand, or develop a new or existing facility or facilities or restoration work on a facility designated as a National Historic Landmark;

(2) Cost, in the context of a capital project, means the cost of land, engineering, architectural planning, contract services, construction, materials, and equipment needed to complete the capital project;

(3) COVID-19 means the novel coronavirus identified as SARS-CoV-2, the disease caused by the novel coronavirus SARS-CoV-2 or a virus mutating therefrom, and the health conditions or threats associated with the disease caused by the novel coronavirus SARS-CoV-2 or a virus mutating therefrom;

(4) Department means the Department of Economic Development;

(5) Qualified nonprofit organization means a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code that:

(a) Is related to arts, culture, or the humanities, including any organization formed for the purpose of developing and promoting the work of artists and the humanities in various visual and performing forms, such as film, sculpture, dance, painting, horticulture, multimedia, poetry, photography, performing arts, zoology, or botany; or

(b) Operates a sports complex;

(6) Sports complex means property that:

(a) Includes indoor areas, outdoor areas, or both;

(b) Is primarily used for competitive sports; and

(c) Contains multiple separate sports venues; and

(7) Sports venue includes, but is not limited to:

(a) A baseball field;

(b) A softball field;

(c) A soccer field;

(d) An outdoor stadium primarily used for competitive sports;

(e) An outdoor arena primarily used for competitive sports; and

(f) An enclosed, temperature-controlled building primarily used for competitive sports.

Sec. 4. (1) Beginning July 1, 2021, through July 15, 2021, a qualified nonprofit organization may apply to the department for a grant under the Shovel-Ready Capital Recovery and Investment Act. The application shall include, but not be limited to, the following information:

(a) A description of the qualified nonprofit organization's capital project;

(b) The estimated cost of the capital project;

(c) The date when the capital project was delayed due to COVID-19 and the date when the capital project is expected to begin or resume, which shall be no later than June 30, 2022; and

(d) Documentation on the amount of funds for the capital project which have been received or will be received by the qualified nonprofit organization from private sources. Such amount shall be at least equal to the amount of any grant received under the act. The documentation provided under this subdivision does not need to identify the names of any donors.

(2) The department shall consider applications in the order in which they are received. If an applicant is a qualified nonprofit organization and otherwise qualifies for funding under the Shovel-Ready Capital Recovery and Investment Act, the department shall, subject to subsection (3) of this section, approve the application and notify the applicant of the approval.

(3) The department may approve applications within the limits of available funding. The amount of any grant approved under this section shall be equal to the amount of funds to be supplied by the qualified nonprofit organization from private sources, as documented under subdivision (1)(d) of this section, subject to the following limitations:

(a) For any capital project with an estimated cost of less than five million dollars, the grant shall not exceed one million five hundred thousand dollars;

(b) For any capital project with an estimated cost of at least five million dollars but less than twenty-five million dollars, the grant shall not exceed five million dollars;

(c) For any capital project with an estimated cost of at least twenty-five million dollars but less than fifty million dollars, the grant shall not exceed ten million dollars; and

(d) For any capital project with an estimated cost of fifty million dollars or more, the grant shall not exceed fifteen million dollars.

Sec. 5. (1) Each qualified nonprofit organization that receives a grant under the Shovel-Ready Capital Recovery and Investment Act shall:

(a) Secure all of the private funds described in subdivision (1)(d) of section 4 of this act through a written pledge or payment by December 31, 2021, and shall begin or resume construction on the organization's capital project by June 30, 2022; and

(b) Abide by the federal laws commonly known as the Davis-Bacon and Related Acts.

(2) Any qualified nonprofit organization that fails to meet the requirements of subsection (1) of this section shall repay any grant funds received under the act.

Sec. 6. The Shovel-Ready Capital Recovery and Investment Fund is created. The fund shall consist of transfers authorized by the Legislature and any gifts, grants, or bequests from any source, including federal, state, public, and private sources. The fund shall be administered by the department and shall be used to make grants under the Shovel-Ready Capital Recovery and Investment Act. 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.

Sec. 7. It is the intent of the Legislature to allocate fifteen million dollars from the General Fund and an additional amount of federal funds, subject to the appropriations process, up to the amount needed to fully fund all approved grants, from federal funds allocated to states pursuant to the American Rescue Plan Act of 2021 from the Coronavirus State Fiscal Recovery Fund and received by the State of Nebraska on or after the effective date of this act, if such use is permitted under section 9901 of the American Rescue Plan Act of 2021, for use by the department for purposes of carrying out the Shovel-Ready Capital Recovery and Investment Act.

Sec. 8. The department may adopt and promulgate rules and regulations to carry out the Shovel-Ready Capital Recovery and Investment Act.

Sec. 9. Since an emergency exists, this act takes effect when passed and approved according to law.