

AMENDMENTS TO LB531

Introduced by McKinney, 11.

1 1. Strike the original sections and insert the following new
2 sections:

3 Section 1. Section 81-12,238, Revised Statutes Cumulative
4 Supplement, 2022, is amended to read:

5 81-12,238 Sections 81-12,238 to 81-12,244 and section 6 of this act
6 shall be known and may be cited as the Economic Recovery Act.

7 Sec. 2. Section 81-12,239, Revised Statutes Cumulative Supplement,
8 2022, is amended to read:

9 81-12,239 The Legislature finds that:

10 (1) The COVID-19 public health emergency has caused widespread
11 economic, social, and public health-related turmoil that deepened
12 existing disparities;

13 (2) The social and economic challenges caused and exacerbated by the
14 COVID-19 public health emergency include high unemployment, wage
15 decreases, increased homelessness, and food insecurity;

16 (3) The impact of the COVID-19 public health emergency and related
17 challenges were disproportionately felt in low-income and minority
18 communities such as North Omaha and South Omaha; and

19 (4) The social and economic challenges in North Omaha and South
20 Omaha have persisted for multiple generations, partially fueled by past
21 racial segregation and the historical practice known as redlining. ;

22 ~~(5) Funding under the federal American Rescue Plan Act of 2021~~
23 ~~presents a once-in-a-lifetime opportunity to respond to the challenges~~
24 ~~facing North Omaha and South Omaha that have been worsened by the~~
25 ~~COVID-19 public health emergency; and~~

26 ~~(6) Federal guidance issued by the United States Department of the~~
27 ~~Treasury has identified qualified census tracts as areas in which certain~~

1 ~~activities and investments will be deemed presumptively eligible for the~~
2 ~~use of funds under the federal American Rescue Plan Act of 2021.~~

3 Sec. 3. Section 81-12,241, Revised Statutes Cumulative Supplement,
4 2022, is amended to read:

5 81-12,241 (1) A primary responsibility of the Economic Recovery and
6 Incentives Division of the Department of Economic Development shall be to
7 utilize federal or state funding to award grants as provided in this
8 section. ~~The division shall develop a coordinated plan and a grant~~
9 ~~application and scoring process to award grants under subsection (3) of~~
10 ~~this section.~~

11 (2) ~~The division coordinated plan developed pursuant to this section~~
12 ~~shall direct and prioritize the use of grants awarded under this section~~
13 ~~toward the economic recovery of those communities and neighborhoods~~
14 ~~within qualified census tracts located within the boundaries of a city of~~
15 ~~the metropolitan class that were disproportionately impacted by the~~
16 ~~COVID-19 public health emergency and related challenges, with an emphasis~~
17 ~~on housing needs, assistance for small businesses, job training, and~~
18 ~~business development within such communities and neighborhoods. In~~
19 ~~prioritizing the use of grants awarded within the boundaries of a city of~~
20 ~~the metropolitan class, the Economic Recovery and Incentives Division~~
21 ~~shall may rely on any studies produced pursuant to section 81-12,242. ~~Not~~~~
22 ~~later than August 1, 2022, the division shall submit a copy of an initial~~
23 ~~coordinated plan to the Economic Recovery Special Committee of the~~
24 ~~Legislature. Not later than December 1, 2022, the division shall submit a~~
25 ~~final copy of such coordinated plan to the Economic Recovery Special~~
26 ~~Committee of the Legislature.~~

27 (3)(a) The Economic Recovery and Incentives Division shall create a
28 Qualified Census Tract Recovery Grant Program to provide funding to
29 public and private entities located within qualified census tracts
30 throughout the state to respond to the negative impact of the COVID-19
31 public health emergency.

1 (b) Not to exceed ten million dollars in grants shall be distributed
2 under the grant program to eligible grantees in qualified census tracts
3 that are located in a city of the primary class.

4 (c) Not to exceed ten million dollars in grants shall be distributed
5 under the grant program to eligible grantees in qualified census tracts
6 that are located outside of a city of the metropolitan class or a city of
7 the primary class.

8 ~~(d)(i) (d)~~ All remaining funds shall be allocated for grants
9 distributed under the grant program to eligible grantees in qualified
10 census tracts that are located in a city of the metropolitan class, ~~with~~
11 ~~no less than thirty five million dollars in such grants allocated to~~
12 ~~eligible grantees which are located south of Dodge Street and east of~~
13 ~~72nd Street in such city and no less than fifty five million dollars in~~
14 ~~such grants allocated to eligible grantees which are located north of~~
15 ~~Dodge Street and east of 72nd Street in such city.~~

16 (ii) Any funds not applied for within such areas may be allocated
17 for grants to eligible grantees in any qualified census tract in such
18 city.

19 (4) In addition to grants under the Qualified Census Tract Recovery
20 Grant Program, the Economic Recovery and Incentives Division shall
21 provide grant funding for the following purposes:

22 (a) Not to exceed one hundred sixty million dollars in grants to a
23 nonprofit economic development organization for the development of a
24 business park located within or adjacent to one or more qualified census
25 tracts located within the boundaries of a city of the metropolitan class
26 and within two miles of a major airport as defined in section 13-3303;

27 (b) Not to exceed thirty million dollars in grants to one or more
28 innovation hubs located in one or more qualified census tracts and within
29 two miles of a major airport as defined in section 13-3303 providing
30 services and resources within qualified census tracts located within the
31 boundaries of a city of the metropolitan class;

1 (c) Not to exceed three million dollars in grants in fiscal year
2 2022-23 and not to exceed three million dollars in fiscal year 2023-24 to
3 a nonprofit organization partnering with a city of the metropolitan class
4 for the purpose of providing internships and crime prevention within
5 qualified census tracts located within the boundaries of such city;

6 (d) Not to exceed five million dollars in grants pursuant to the
7 purposes of the Nebraska Film Office Fund on or before June 30, 2023, for
8 the purpose of producing a film on Chief Standing Bear, a portion of
9 which is to be filmed in one or more qualified census tracts located
10 within the boundaries of a city of the metropolitan class;

11 (e) Not to exceed twenty million dollars in grants to public or
12 private entities to prepare land parcels for affordable housing or
13 conduct other eligible affordable housing interventions ~~under the federal~~
14 ~~American Rescue Plan Act of 2021~~ including production, rehabilitation,
15 and preservation of affordable rental housing and affordable
16 homeownership units within qualified census tracts which are located in a
17 city of the metropolitan class;

18 (f) Not to exceed twenty million dollars in grants to public or
19 private entities to prepare land parcels for affordable housing or
20 conduct other eligible affordable housing interventions ~~under the federal~~
21 ~~American Rescue Plan Act of 2021~~ including production, rehabilitation,
22 and preservation of affordable rental housing and affordable
23 homeownership units within qualified census tracts which are located in a
24 city of the primary class;

25 (g) Not to exceed five million dollars in grants to a county
26 agricultural society with facilities within a city of the primary class
27 to recoup lost revenue; and

28 (h) Not to exceed one million dollars in grants to a postsecondary
29 institution located in a qualified census tract in a city of the
30 metropolitan class to provide funding for a financial literacy program to
31 improve economic and health outcomes for individuals residing in

1 qualified census tracts.

2 (5) For purposes of subdivisions (4)(e) and (f) of this section,
3 preparing land parcels shall include:

4 (a) Laying drinking water mains, lines, pipes, or channels;

5 (b) Rehabilitation, renovation, maintenance, or other costs to
6 secure vacant or abandoned properties in disproportionately impacted
7 communities;

8 (c) Acquiring and securing legal title of vacant or abandoned
9 properties in disproportionately impacted communities;

10 (d) Removal and remediation of environmental contaminants or hazards
11 from vacant or abandoned properties in disproportionately impacted
12 communities when conducted in compliance with applicable environmental
13 laws or regulations;

14 (e) Demolition or deconstruction of vacant or abandoned buildings in
15 disproportionately impacted communities; and

16 (f) Costs associated with inspection fees and other administrative
17 costs incurred to ensure compliance with applicable environmental laws
18 and regulations for demolition or other remediation activities in
19 disproportionately impacted communities.

20 (6) All grants made by the Economic Recovery and Incentives Division
21 utilizing federal funds allocated to the State of Nebraska from the
22 federal Coronavirus State Fiscal Recovery Fund under the federal American
23 Rescue Plan Act of 2021 shall meet the eligible uses under such act and
24 any relevant guidance on the use of such funds by the United States
25 Department of the Treasury.

26 Sec. 4. Section 81-12,243, Revised Statutes Cumulative Supplement,
27 2022, is amended to read:

28 81-12,243 ~~(1)~~—The Economic Recovery Contingency Fund is created.
29 The fund shall consist of transfers by the Legislature to carry out the
30 Economic Recovery Act. Any money in the fund available for investment
31 shall be invested by the state investment officer pursuant to the

1 Nebraska Capital Expansion Act and the Nebraska State Funds Investment
2 Act. Investment earnings on and after July 1, 2023, shall be credited to
3 the fund.

4 ~~(2) No funds shall be expended from the Economic Recovery~~
5 ~~Contingency Fund until the Economic Recovery and Incentives Division of~~
6 ~~the Department of Economic Development has submitted a final copy of its~~
7 ~~coordinated plan to the Economic Recovery Special Committee of the~~
8 ~~Legislature pursuant to section 81-12,241 and to the budget administrator~~
9 ~~of the budget division of the Department of Administrative Services.~~

10 Sec. 5. Section 81-12,244, Revised Statutes Cumulative Supplement,
11 2022, is amended to read:

12 81-12,244 (1) It is the intent of the Legislature to appropriate
13 three two hundred fifty million dollars from the General Fund federal
14 funds for fiscal year 2023-2024 ~~2022-23~~ to the Department of Economic
15 Development to carry out the Economic Recovery Act. ~~The federal funds~~
16 ~~described in this subsection are the funds allocated to the State of~~
17 ~~Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant~~
18 ~~to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as~~
19 ~~amended.~~ The department may use not more than ten million dollars of such
20 money federal funds for the administration of the Economic Recovery Act.

21 ~~(2) Of the intended appropriation described in subsection (1) of~~
22 ~~this section, eighty million dollars of such federal funds shall not be~~
23 ~~expended by the Department of Economic Development until the Economic~~
24 ~~Recovery and Incentives Division of the department has submitted a final~~
25 ~~copy of its coordinated plan to the Economic Recovery Special Committee~~
26 ~~of the Legislature pursuant to section 81-12,241.~~

27 ~~(2)~~ (3) The State Treasurer shall transfer any interest earned after
28 April 19, 2022, on federal funds allocated to the State of Nebraska from
29 the federal Coronavirus State Fiscal Recovery Fund pursuant to the
30 federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended, to
31 the Economic Recovery Contingency Fund on such dates and in such amounts

1 as directed by the budget administrator of the budget division of the
2 Department of Administrative Services.

3 ~~(3)~~ (4) It is the intent of the Legislature that any unobligated
4 amount as of July 1, 2024, of the federal funds allocated to the State of
5 Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant
6 to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as
7 amended, be appropriated to the Department of Economic Development to
8 carry out the Economic Recovery Act no later than August 1, 2024.

9 ~~(4)~~ (5) It is the intent of the Legislature to appropriate ten
10 million dollars from the General Fund to the Department of Economic
11 Development for fiscal year 2022-23 to provide grants under the Economic
12 Recovery Act.

13 ~~(5)~~ (6) It is the intent of the Legislature to transfer ten million
14 dollars from the General Fund to the Economic Recovery Contingency Fund
15 for fiscal year 2023-24 and ten million dollars from the General Fund to
16 the Economic Recovery Contingency Fund for fiscal year 2024-25 to provide
17 grants under the Economic Recovery Act.

18 ~~(7) The Department of Economic Development shall not use money from~~
19 ~~the General Fund to implement or administer the grants provided under the~~
20 ~~Economic Recovery Act.~~

21 Sec. 6. (1)(a) The Economic Recovery and Incentives Division of the
22 Department of Economic Development shall create and administer the North
23 and South Omaha Recovery Grant Program to provide grants to public and
24 private entities to respond to the negative impact of the COVID-19 public
25 health emergency and build resilient and innovative communities.

26 (b) To be eligible for a grant under the North and South Omaha
27 Recovery Grant Program, an applicant shall:

28 (i) Be listed in the coordination plan or appendixes by the Economic
29 Recovery Special Committee of the Legislature dated January 10, 2023; and

30 (ii) Explain how the grant will relieve the negative impact of the
31 COVID-19 public health emergency within a qualified census tract located

1 within the boundaries of a city of the metropolitan class and build
2 resilient and innovative communities, with a priority on small business
3 development, job creation, and economic development within such
4 communities.

5 (2) When considering applications for grants under this section, the
6 Economic Recovery and Incentives Division of the Department of Economic
7 Development shall use the coordination plan and appendixes, dated January
8 10, 2023. Grant applications that would benefit communities and
9 neighborhoods within qualified census tracts located within the
10 boundaries of a city of the metropolitan class with a priority on small
11 business development, job creation, and economic development within such
12 communities and neighborhoods shall be prioritized.

13 (3) The Economic Recovery and Incentives Division of the Department
14 of Economic Development shall award additional grants for the following
15 purposes:

16 (a) Not to exceed twenty million dollars in grants for the purpose
17 of creating a museum located in one or more qualified census tracts
18 located within the boundaries of a city of the metropolitan class and
19 that is named in honor of a person inducted into the Nebraska Hall of
20 Fame on or before June 30, 2023;

21 (b) Not to exceed twenty million dollars in grants to federally
22 qualified health centers located in a city of the metropolitan class.
23 Such grants shall be used for persons receiving services under
24 subsections (g), (h), and (i) of section 330 of the federal Public Health
25 Services Act, 42 U.S.C. 254b, as such section existed on January 1, 2023;
26 and

27 (c) Not to exceed fifteen million dollars for contracted services
28 for program management for the North and South Omaha Recovery Grant
29 Program and the Qualified Census Tract Recovery Grant Program provided in
30 a city of the metropolitan class. No person providing such contract of
31 program management services shall have any conflict of interest or

1 contractual relationship with any recipient of a grant under the North
2 and South Omaha Recovery Grant Program or the Qualified Census Tract
3 Recovery Grant Program.

4 Sec. 7. Section 84-612, Revised Statutes Cumulative Supplement,
5 2022, is amended to read:

6 84-612 (1) There is hereby created within the state treasury a fund
7 known as the Cash Reserve Fund which shall be under the direction of the
8 State Treasurer. The fund shall only be used pursuant to this section.

9 (2) The State Treasurer shall transfer funds from the Cash Reserve
10 Fund to the General Fund upon certification by the Director of
11 Administrative Services that the current cash balance in the General Fund
12 is inadequate to meet current obligations. Such certification shall
13 include the dollar amount to be transferred. Any transfers made pursuant
14 to this subsection shall be reversed upon notification by the Director of
15 Administrative Services that sufficient funds are available.

16 (3) In addition to receiving transfers from other funds, the Cash
17 Reserve Fund shall receive federal funds received by the State of
18 Nebraska for undesignated general government purposes, federal revenue
19 sharing, or general fiscal relief of the state.

20 (4) The State Treasurer shall transfer fifty-four million seven
21 hundred thousand dollars on or after July 1, 2019, but before June 15,
22 2021, from the Cash Reserve Fund to the Nebraska Capital Construction
23 Fund on such dates and in such amounts as directed by the budget
24 administrator of the budget division of the Department of Administrative
25 Services.

26 (5) The State Treasurer shall transfer two hundred fifteen million
27 five hundred eighty thousand dollars from the Cash Reserve Fund to the
28 Nebraska Capital Construction Fund on or after July 1, 2022, but before
29 June 15, 2023, on such dates and in such amounts as directed by the
30 budget administrator of the budget division of the Department of
31 Administrative Services.

1 (6) The State Treasurer shall transfer fifty-three million five
2 hundred thousand dollars from the Cash Reserve Fund to the Perkins County
3 Canal Project Fund on or before June 30, 2023, on such dates and in such
4 amounts as directed by the budget administrator of the budget division of
5 the Department of Administrative Services.

6 (7) No funds shall be transferred from the Cash Reserve Fund to
7 fulfill the obligations created under the Nebraska Property Tax Incentive
8 Act unless the balance in the Cash Reserve Fund after such transfer will
9 be at least equal to five hundred million dollars.

10 (8) The State Treasurer shall transfer thirty million dollars from
11 the Cash Reserve Fund to the Military Base Development and Support Fund
12 on or before June 30, 2023, but not before July 1, 2022, on such dates
13 and in such amounts as directed by the budget administrator of the budget
14 division of the Department of Administrative Services.

15 (9) The State Treasurer shall transfer eight million three hundred
16 thousand dollars from the Cash Reserve Fund to the Trail Development and
17 Maintenance Fund on or after July 1, 2022, but before July 30, 2022, on
18 such dates and in such amounts as directed by the budget administrator of
19 the budget division of the Department of Administrative Services.

20 (10) The State Treasurer shall transfer fifty million dollars from
21 the Cash Reserve Fund to the Nebraska Rural Projects Fund on or after
22 July 1, 2022, but before July 15, 2023, on such dates and in such amounts
23 as directed by the budget administrator of the budget division of the
24 Department of Administrative Services.

25 (11) The State Treasurer shall transfer thirty million dollars from
26 the Cash Reserve Fund to the Rural Workforce Housing Investment Fund on
27 or after July 1, 2022, but before July 15, 2023, on such dates and in
28 such amounts as directed by the budget administrator of the budget
29 division of the Department of Administrative Services.

30 (12) The State Treasurer shall transfer twenty million dollars from
31 the Cash Reserve Fund to the Intern Nebraska Cash Fund on or after July

1 1, 2022, but before June 15, 2023, on such dates and in such amounts as
2 directed by the budget administrator of the budget division of the
3 Department of Administrative Services.

4 (13) The State Treasurer shall transfer twenty million dollars from
5 the Cash Reserve Fund to the Middle Income Workforce Housing Investment
6 Fund on July 15, 2022, or as soon thereafter as administratively
7 possible, and in such amounts as directed by the budget administrator of
8 the budget division of the Department of Administrative Services.

9 (14) The State Treasurer shall transfer eighty million dollars from
10 the Cash Reserve Fund to the Jobs and Economic Development Initiative
11 Fund on or after July 1, 2022, but before July 15, 2023, on such dates
12 and in such amounts as directed by the budget administrator of the budget
13 division of the Department of Administrative Services.

14 (15) The State Treasurer shall transfer twenty million dollars from
15 the Cash Reserve Fund to the Site and Building Development Fund on July
16 15, 2022, or as soon thereafter as administratively possible, and in such
17 amounts as directed by the budget administrator of the budget division of
18 the Department of Administrative Services.

19 (16) The State Treasurer shall transfer fifty million dollars from
20 the Cash Reserve Fund to the Surface Water Irrigation Infrastructure Fund
21 on or after July 15, 2022, but before January 1, 2023, on such dates and
22 in such amounts as directed by the budget administrator of the budget
23 division of the Department of Administrative Services.

24 (17) The State Treasurer shall transfer fifteen million dollars from
25 the Cash Reserve Fund to the Site and Building Development Fund on or
26 before June 30, 2022, on such dates and in such amounts as directed by
27 the budget administrator of the budget division of the Department of
28 Administrative Services.

29 (18) The State Treasurer shall transfer fifty-five million dollars
30 from the Cash Reserve Fund to the Economic Recovery Contingency Fund on
31 or before June 30, 2022, on such dates and in such amounts as directed by

1 the budget administrator of the budget division of the Department of
2 Administrative Services.

3 (19) The State Treasurer shall transfer four hundred fifty million
4 dollars from the Cash Reserve Fund to the General Fund as soon as
5 administratively possible after the effective date of this act, on such
6 dates and in such amounts as directed by the budget administrator of the
7 budget division of the Department of Administrative Services.

8 Sec. 8. On or before September 30, 2023, the Department of Natural
9 Resources shall award a grant of two hundred million dollars to a city of
10 the primary class. Eligible expenses for the funding from this grant
11 include costs for a water treatment plant; water treatment, transmission,
12 and distribution in furtherance of additional water; land acquisition;
13 permitting; a wellfield; and pumping and transportation of water over
14 twenty-five miles for the purpose of providing potable water to such city
15 of the primary class. The department shall develop criteria and
16 procedures that are consistent with projects and eligibility listed in 40
17 C.F.R. 35.3520. The grant awarded under this section shall be conditioned
18 on the city's compliance with such criteria and procedures.

19 Sec. 9. The Department of Environment and Energy shall award grants
20 totalling not more than fifty million dollars to install reverse osmosis
21 systems in:

22 (1) Small and rural communities where drinking water test levels are
23 above ten parts per million of nitrates; and

24 (2) Private water systems if test levels for nitrates in drinking
25 water pumped from private wells are above ten parts per million.

26 Sec. 10. Original sections 81-12,238, 81-12,239, 81-12,241,
27 81-12,243, 81-12,244, and 84-612, Revised Statutes Cumulative Supplement,
28 2022, are repealed.

29 Sec. 11. Since an emergency exists, this act takes effect when
30 passed and approved according to law.