

# LEGISLATIVE BILL 164

Approved by the Governor April 16, 2024

Introduced by McKinney, 11.

A BILL FOR AN ACT relating to law; to amend sections 13-3301, 13-3302, 13-3303, 13-3304, 13-3305, 13-3306, 13-3310, and 13-3311, Reissue Revised Statutes of Nebraska, sections 81-12,195, 81-12,196, 81-12,201, 81-12,215, and 84-602, Revised Statutes Cumulative Supplement, 2022, sections 61-305, 72-819, 72-1001, 81-1239, 81-1243, 81-12,203, 81-12,241, 81-12,241.01, 81-12,243, and 81-12,244, Revised Statutes Supplement, 2023, and section 31, Legislative Bill 1413, One Hundred Eighth Legislature, Second Session, 2024; to change provisions relating to the Economic Recovery Act, the Municipal Inland Port Authority Act, and the Nebraska Rural Projects Act; to provide for a museum at Fort Robinson State Park; to provide for and change provisions relating to transfers and use of funds, investment earnings, and interest; to provide a duty for the State Treasurer; to eliminate obsolete provisions; to adopt the Child Care Capacity Building and Workforce Act; to provide operative dates; to repeal the original sections; and to declare an emergency.

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

Section 1. Section 13-3301, Reissue Revised Statutes of Nebraska, is amended to read:

13-3301 Sections 13-3301 to 13-3313 and sections 7, 10, 11, and 12 of this act shall be known and may be cited as the Municipal Inland Port Authority Act.

Sec. 2. Section 13-3302, Reissue Revised Statutes of Nebraska, is amended to read:

13-3302 The Legislature finds and declares as follows:

(1) Nebraska is ideally situated as a potential industrial, innovation, and logistical hub for multiple industries across the rest of the country. The state is home to major railroads and trucking firms, and is within a two-day drive to major cities on the east coast, west coast, Mexico, and Canada;

(2) Increasingly, major companies looking to locate their headquarters or expand operations seek large shovel-ready commercial and industrial sites, commonly referred to as mega sites;

(3) Nebraska ~~currently~~ lacks sufficient the economic development tools necessary to acquire and develop large shovel-ready commercial and industrial sites and innovation districts, and the creation of one or more inland port authorities in Nebraska will ~~could~~ serve as a mechanism to develop such sites; ~~and~~

(4) In addition to the development of large shovel-ready commercial and industrial sites and innovation districts, the creation of ~~one or more~~ inland port authorities will ~~could~~ serve as a regional merging point for multi-modal transportation and distribution of goods to and from ports and other locations in other regions; and -

(5) Inland port authorities will serve as a vital resource for stimulating and supporting tourism, entrepreneurship, and technology-based small businesses in this state.

Sec. 3. Section 13-3303, Reissue Revised Statutes of Nebraska, is amended to read:

13-3303 For purposes of the Municipal Inland Port Authority Act:

(1) Board means the board of commissioners of an inland port authority;

(2) City means any city of the metropolitan class, city of the primary class, or city of the first class which contains an area eligible to be designated as an inland port district;

(3) Direct financial benefit means any form of financial benefit that accrues to an individual directly, including compensation, commission, or any other form of a payment or increase of money, or an increase in the value of a business or property. Direct financial benefit does not include a financial benefit that accrues to the public generally;

(4) Family member means a spouse, parent, sibling, child, or grandchild;

(5) Inland port authority means an authority created by a city, a county, or a city and one or more counties under the Municipal Inland Port Authority Act to manage an inland port district;

(6) Inland port district means an area within the corporate boundaries or extraterritorial zoning jurisdiction or both of a city, within the boundaries of one or more counties, or within both the corporate boundaries or extraterritorial zoning jurisdiction or both of a city and the boundaries of one or more counties, and which meets at least two of the following criteria:

(a) Is located within one mile of a navigable river or other navigable waterway;

(b) Is located within one mile of a major rail line;

(c) Is located within two miles of any portion of the federally designated National System of Interstate and Defense Highways or any other four-lane divided highway; or

(d) Is located within two miles of a major airport;

(7)(a) Innovation district means a geographic area where leading-edge

institutions, companies, and industry clusters connect with startup businesses, business incubators, research institutions, and accelerators, and that is physically compact, transit-accessible, and technically wired with mixed-use housing, office, retail, and light industrial space.

(b) Innovation districts include, but are not limited to, the following:

(i) The anchor-plus model, primarily found in the downtowns and midtowns of central cities, where large-scale mixed-use development is centered around major anchor institutions and a rich base of related firms, entrepreneurs, and spin-off companies involved in the commercialization of innovation;

(ii) The re-imagined urban areas model, often found near or along historic waterfronts, where industrial or warehouse districts are undergoing a physical and economic transformation. Such change is powered in part by transit access, a historic building stock, and proximity to downtowns in high-rent cities which is supplemented with advanced research institutions and anchor companies; and

(iii) The urbanized science park model, commonly found in suburban and exurban areas, where traditionally isolated, sprawling areas of innovation are urbanizing through increased density and an infusion of new activities, including retail and restaurants, that are mixed as opposed to separated;

(8) Innovation hub has the same meaning as in section 81-12,108;

(9) ~~(7)~~ Intermodal facility means a hub or other facility for trade combining any combination of rail, barge, trucking, air cargo, or other transportation services;

(10) ~~(8)~~ Major airport means an airport with commercial service as defined by the Federal Aviation Administration;

(11) ~~(9)~~ Major rail line means a rail line that is accessible to a Class I railroad as defined by the federal Surface Transportation Board; and

(12) ~~(10)~~ Nonprofit economic development corporation means a chamber of commerce or other mutual benefit or public benefit corporation organized under the Nebraska Nonprofit Corporation Act to assist economic development.

Sec. 4. Section 13-3304, Reissue Revised Statutes of Nebraska, is amended to read:

13-3304 (1) Any city which encompasses an area greater than three hundred acres eligible to be designated as an inland port district may propose to create an inland port authority by ordinance, subject to the cap on the total number of inland port districts provided in subsection (4) of this section. In determining whether to propose the creation of an inland port authority, the city shall consider the following criteria:

(a) The desirability and economic feasibility of locating an inland port district within the corporate boundaries, extraterritorial zoning jurisdiction, or both of the city;

(b) The technical and economic capability of the city and any other public and private entities to plan and carry out development within the proposed inland port district;

(c) The strategic location of the proposed inland port district in proximity to existing and potential transportation infrastructure that is conducive to facilitating regional, national, and international trade and the businesses and facilities that promote and complement such trade;

(d) The potential impact that development of the proposed inland port district will have on the immediate area; and

(e) The regional and statewide economic impact of development of the proposed inland port district.

(2) Any city and one or more counties in which a city of the metropolitan class, city of the primary class, or city of the first class is located, or in which the extraterritorial zoning jurisdiction of such city is located, which encompass an area greater than three hundred acres eligible to be designated as an inland port district may enter into an agreement pursuant to the Interlocal Cooperation Act to propose joint creation of an inland port authority, subject to the cap on the total number of inland port districts provided in subsection (4) of this section. In determining whether to propose the creation of an inland port authority, the city and counties shall consider the following criteria:

(a) The desirability and economic feasibility of locating an inland port district within the corporate boundaries or extraterritorial zoning jurisdiction or both of the city, or within both the corporate boundaries or extraterritorial zoning jurisdiction or both of a city and the boundaries of one or more counties;

(b) The technical and economic capability of the city and county or counties and any other public and private entities to plan and carry out development within the proposed inland port district;

(c) The strategic location of the proposed inland port district in proximity to existing and potential transportation infrastructure that is conducive to facilitating regional, national, and international trade and the businesses and facilities that promote and complement such trade;

(d) The potential impact that development of the proposed inland port district will have on the immediate area; and

(e) The regional and statewide economic impact of development of the proposed inland port district.

(3) Any county with a population greater than twenty thousand inhabitants according to the most recent federal census or the most recent revised certified count by the United States Bureau of the Census which encompasses an area greater than three hundred acres eligible to be designated as an inland port district may propose to create an inland port authority by resolution, subject to the cap on the total number of inland port districts provided in

subsection (4) of this section. In determining whether to propose the creation of an inland port authority, the county shall consider the following criteria:

(a) The desirability and economic feasibility of locating an inland port district within the county;

(b) The technical and economic capability of the county and any other public or private entities to plan and carry out development within the proposed inland port district;

(c) The strategic location of the proposed inland port district in proximity to existing and potential transportation infrastructure that is conducive to facilitating regional, national, and international trade and the businesses and facilities that promote and complement such trade;

(d) The potential impact that development of the proposed inland port district will have on the immediate area; and

(e) The regional and statewide economic impact of development of the proposed inland port district.

(4) No more than five inland port districts may be designated statewide. No more than one inland port district may be designated within the boundaries of a city of the metropolitan class. No inland port authority shall designate more than one inland port district, and no inland port authority may be created without also designating an inland port district.

(5) Following the adoption of an ordinance, resolution, or execution of an agreement pursuant to the Interlocal Cooperation Act proposing creation of an inland port authority, the city clerk or county clerk shall transmit a copy of such ordinance, resolution, or agreement to the Department of Economic Development along with an application for approval of the proposal. Upon receipt of such ordinance, resolution, or agreement and application, the department shall evaluate the proposed inland port authority to determine whether the proposal meets the criteria in subsection (1), (2), or (3) of this section, whichever is applicable, as well as any prioritization criteria developed by the department. Upon a determination that the proposed inland port authority sufficiently meets such criteria, the Director of Economic Development shall certify to the city clerk or county clerk whether the proposed creation of such inland port authority exceeds the cap on the total number of inland port districts pursuant to subsection (4) of this section. If the department determines that the proposed inland port authority sufficiently meets such criteria and does not exceed such cap, the inland port authority shall be deemed created. If the proposed inland port authority does not sufficiently meet such criteria or exceeds such cap, the city shall repeal such ordinance, the county shall repeal such resolution, or the city and county or counties shall rescind such agreement and the proposed inland port authority shall not be created.

Sec. 5. Section 13-3305, Reissue Revised Statutes of Nebraska, is amended to read:

13-3305 (1) The city council of any city which has created an inland port authority pursuant to subsection (1) of section 13-3304 shall designate what areas within the corporate limits, extraterritorial zoning jurisdiction, or both of the city shall comprise the inland port district, subject to the limitations of the Municipal Inland Port Authority Act. The boundaries of any inland port district shall be filed with the city clerk and shall become effective upon approval of the city council. The city council may from time to time enlarge or reduce the area comprising any inland port district, except that such district shall not be reduced to an area less than three hundred acres. Any change of boundaries shall be filed with the city clerk and become effective upon such filing.

(2) The city council of any city and county board or boards of any county or counties which have created an inland port authority pursuant to subsection (2) of section 13-3304 shall designate what areas within the corporate limits, extraterritorial zoning jurisdiction, or both of the city or within the county or counties shall comprise the inland port district, subject to the limitations of the Municipal Inland Port Authority Act. The boundaries of any inland port district shall be filed with the city clerk and the county clerk or clerks and shall become effective upon approval of the city council and the county board or boards. The city council and the county board or boards may from time to time enlarge or reduce the area comprising any inland port district, except that such district shall not be reduced to an area less than three hundred acres. Any change of boundaries shall be filed with the city clerk and the county clerk or clerks and become effective upon such filing.

(3) The county board of any county which has created an inland port authority pursuant to subsection (3) of section 13-3304 shall designate what areas within the county shall comprise the inland port district, subject to the limitations of the Municipal Inland Port Authority Act. The boundaries of any inland port district shall be filed with the county clerk and shall become effective upon approval of the county board. The county board may from time to time enlarge or reduce the area comprising any inland port district, except that such district shall not be reduced to an area less than three hundred acres. Any change of boundaries shall be filed with the county clerk and become effective upon such filing.

(4) Not more than twenty-five percent of the area within an inland port district designated pursuant to this section may be noncontiguous with the remaining portions of such inland port district. Such noncontiguous area shall be no more than one-quarter mile from the remaining portions of such inland port district for an inland port district located within a city of the metropolitan class and no more than fifteen miles from the remaining portions

of such inland port district for any other inland port district.

(5) Nothing in this section shall require that any real property located within the boundaries of an inland port district be owned by an inland port authority or the city or county or counties in which such real property is located.

Sec. 6. Section 13-3306, Reissue Revised Statutes of Nebraska, is amended to read:

13-3306 (1) An inland port authority shall have the power to:

(a) Plan, facilitate, and develop the inland port district in conjunction with the city, the county or counties, and other public and private entities, including the development of publicly owned infrastructure and improvements within the inland port district;

(b) Engage in marketing and business recruitment activities and efforts to encourage and facilitate development of the inland port district;

(c) Apply for and take all other necessary actions for the establishment of a foreign trade zone, as provided under federal law, within the inland port district;

(d) Issue and sell revenue bonds as provided in section 13-3308;

(e) Acquire, own, lease, sell, or otherwise dispose of interest in and to any real property and improvements located thereon, and in any personal property, and construct buildings and other structures necessary to fulfill the purposes of the inland port authority;

(f) Acquire rights-of-way and property of any kind or nature within the inland port district necessary for its purposes by purchase or negotiation;

(g) Enter into lease agreements for real or personal property, either as lessee or lessor;

(h) Sue and be sued in its own name;

(i) Enter into contracts and other instruments necessary, incidental, or convenient to the performance of its duties and the exercise of its powers, including, but not limited to, agreements under the Interlocal Cooperation Act with the city, the county or counties, or any other political subdivision of this or any other state;

(j) Borrow money from private lenders, from the state, or from the federal government as may be necessary for the operation and work of the inland port authority;

(k) Accept appropriations, including funds transferred by the Legislature pursuant to section 81-12,146, contributions, gifts, grants, or loans from the United States, the State of Nebraska, political subdivisions, or other public and private agencies, individuals, partnerships, or corporations;

(l) Employ such managerial, engineering, legal, technical, clerical, accounting, advertising, administrative, or other assistance as may be deemed advisable, or to contract with independent contractors for any such assistance;

(m) Adopt, alter, or repeal its own bylaws, rules, and regulations governing the manner in which its business may be transacted, except that such bylaws, rules, and regulations shall not exceed the powers granted to the inland port authority by the Municipal Inland Port Authority Act;

(n) Enter into agreements with private operators or public entities for the joint development, redevelopment, reclamation, and other uses of property within the inland port district;

(o) Own and operate an intermodal facility and other publicly owned infrastructure and improvements within the boundaries of the inland port district; ~~and~~

(p) Establish and charge fees to businesses and customers utilizing the services offered by the inland port authority within the inland port district as required for the proper maintenance, development, operation, and administration of the inland port authority; ~~and -~~

(q) Facilitate partnerships and programs between innovative startup businesses, research institutions, and venture capitalists or financial institutions.

(2) An inland port authority shall neither possess nor exercise the power of eminent domain.

(3) Any inland port authority located within the boundaries of a city of the metropolitan class shall not be eligible to receive any funds transferred by the Legislature pursuant to subsection (2) of section 81-12,146 until July 1, 2027.

Sec. 7. An inland port authority located within the boundaries of a city of the metropolitan class shall:

(1) Create and operate an innovation district;

(2) Organize and conduct quarterly public input meetings to receive public input regarding concerns, ideas, and priorities for economic development initiatives within the inland port district. The public input meetings shall provide a platform for dialogue and collaboration between residents, the inland port authority, local government officials, and other stakeholders;

(3) Within ninety days after the receipt of grant funds described in section 11 of this act, and annually thereafter, conduct a community survey. Such surveys may be distributed online or through regular United States mail or may be conducted in person to ensure inclusivity and accessibility. The data collected shall help identify key areas for economic development focus within the inland port district and inform decisionmaking processes;

(4) Only use the grant funds described in section 11 of this act within the inland port district;

(5) Provide direct oversight of the operation of any innovation hub located within a city of the metropolitan class that is located within two

miles of a major airport;

(6) Create and maintain a community advisory committee consisting of nine members that include (a) at least two owners of residential property located within the inland port district, (b) at least two owners of businesses located within the inland port district, (c) a member of the city council of such city of the metropolitan class whose city council district is located within the inland port district, (d) a member of the Legislature whose legislative district is located within the inland port district, and (e) a youth representative or someone closely involved with youth in the community. A single member may satisfy more than one qualification described in subdivisions (6)(a) through (e) of this section;

(7) Within one year after the receipt of grant funds described in section 11 of this act, hire a consultant to create a financial pro forma and vision and provide recommendations relating to which innovation district model or blended models should be used by the inland port authority;

(8) Within three years after the receipt of grant funds described in section 11 of this act, contract with or provide grants to developers or landowners to construct twenty single-family homes and a minimum of one hundred fifty new housing units within the inland port district; and

(9) On or before December 31 of each year, electronically submit a report to the Urban Affairs Committee of the Legislature and the Clerk of the Legislature regarding current, completed, and future projects, how such projects relate to the inland port authority's vision and financial pro forma, and other areas of opportunity.

Sec. 8. Section 13-3310, Reissue Revised Statutes of Nebraska, is amended to read:

13-3310 (1) An inland port authority shall be administered by the board which shall consist of:

(a) If created by a city of the metropolitan class, nine members that include (i) the mayor or the mayor's designee, (ii) at least two members with experience in large-scale residential, commercial, industrial, or general real estate development, (iii) at least one member with experience in community organizing and development, advocating for inclusive economic development strategies, addressing systemic barriers, and promoting equitable opportunities for all community members, and (iv) at least one member with experience in financial services and budget oversight, financial planning, and ensuring accountability in resource allocation for economic development projects. A single member may satisfy more than one qualification described in subdivisions (1)(a)(i) through (iv) of this section;

(b) If created by a city of the primary class, seven members;

(c) If created by a city of the first class, five members;

(d) If jointly created by a city of the metropolitan class and one or more counties, eleven members;

(e) If jointly created by a city of the primary class and one or more counties, nine members;

(f) If jointly created by a city of the first class and one or more counties, seven members; or

(g) If created by a county, nine members.

(2) Upon the creation of an inland port authority under subsection (1) or (2) of section 13-3304, the mayor of the city that created the authority, with the approval of the city council, and, if the authority is created under subsection (2) of section 13-3304, with the approval of the county board or boards, shall appoint a board to govern the authority. Members of the board shall be residents of the city or of the county in which such city that created the authority under subsection (1) of section 13-3304 is located, or, if the authority is created under subsection (2) of section 13-3304, members of the board shall be residents of the county or counties jointly creating such authority or of any county located adjacent to any such county.

(3) Upon the creation of an inland port authority under subsection (3) of section 13-3304, the chairperson of the county board, with the approval of the county board, shall appoint a board to govern the authority. Members of the board shall be residents of the county or of any county located adjacent to such county.

(4) The members of the board of any inland port authority created under section 13-3304 shall be appointed to staggered terms of four years in such a manner to ensure that the terms of no more than three members expire in any one year.

(5) Any vacancy on the board of an inland port authority shall be filled in the same manner as the vacating board member was appointed to serve the unexpired portion of the board member's term.

Sec. 9. Section 13-3311, Reissue Revised Statutes of Nebraska, is amended to read:

13-3311 (1) A public official may serve as a commissioner of an inland port authority.

(2) ~~(1)~~ No individual may serve as a commissioner or an employee of an inland port authority if:

(a) The individual or a family member of the individual owns an interest in any real property located within the boundaries of the inland port district; or

(b) The individual or a family member of the individual owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, company, or other entity, other than a political subdivision, that received any financial benefit through any funding provided from a grant

awarded pursuant to subdivision (4)(a) of section 81-12,241. For purposes of this subdivision, financial benefit includes any income from a contract for goods or services; or

(c) (b) The individual or a family member of the individual owns an interest in, is directly affiliated with, or is an employee or officer of a private firm, company, or other entity, other than a political subdivision, that the individual reasonably believes is likely to:

(i) Participate in or receive a direct or indirect financial benefit from the development of the inland port district; or

(ii) Acquire an interest in any facility located within the inland port district.

(3) (2) Before taking office as a commissioner or accepting employment with an inland port authority, an individual shall submit to the authority a statement verifying that the individual's service as a commissioner or an employee will not violate subsection (2) (1) of this section.

(4) (3) An individual shall not, at any time during the individual's service as a commissioner or an employee of an inland port authority, acquire or take any action to initiate, negotiate, or otherwise arrange for the acquisition of an interest in any real property located within the boundaries of the inland port district.

(5) (4) A commissioner or an employee of an inland port authority shall not receive a direct financial benefit from the development of any real property located within the boundaries of the inland port district.

Sec. 10. The Inland Port Authority Fund is created. The fund shall be used by the State Treasurer to carry out section 11 of this act. The fund shall consist of transfers by the Legislature and any federal funds which may become available for the purposes of the Municipal Inland Port Authority 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. Any investment earnings from investment of money in the fund shall be credited to the fund.

Sec. 11. An inland port authority located within the boundaries of a city of the metropolitan class may apply to the State Treasurer for grants to carry out the functions of such inland port authority as authorized under the Municipal Inland Port Authority Act. The application for such grants shall be submitted on a form prescribed by the State Treasurer. The application shall only include the amount of grant funds requested for each grant and a certified copy of the approved city ordinance creating such inland port authority. The State Treasurer shall not be required to verify the information submitted in the application. If adequate funds are available in the Inland Port Authority Fund, the State Treasurer shall award the grants.

Sec. 12. The changes made by this legislative bill apply to any inland port authority existing prior to, on, or after the operative date of this section.

Sec. 13. The State Treasurer shall transfer:

(1) To the Economic Recovery Contingency Fund by October 1, 2024, and on or before June 30 of each year through June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services, (a) the first thirteen million dollars of any interest earned on or after July 1, 2024, and on or before June 30, 2026, on federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended, (b) the first twelve million dollars of any interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Perkins County Canal Project Fund pursuant to section 61-305, and (c) the first five million dollars of any interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Nebraska Capital Construction Fund from transfers credited to such fund that are designated for the construction of a new state prison pursuant to section 72-1001;

(2) To the Museum Construction and Maintenance Fund on or before June 30 of each year through June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services, the next seven million dollars of any interest earned after the first twelve million dollars of interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Perkins County Canal Project Fund pursuant to section 61-305; and

(3) To the Inland Port Authority Fund on or before June 30 of each year through June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services, (a) any interest earned after the first thirteen million dollars of interest earned on or after July 1, 2024, and on or before June 30, 2026, on federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended, (b) any interest earned after the first nineteen million dollars of interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Perkins County Canal Project Fund pursuant to section 61-305, and (c) any interest earned after the first five million dollars of interest earned on or after July 1, 2024, and on or before June 30, 2026, from the investment of money in the Nebraska Capital Construction Fund from transfers credited to such fund that are designated for the construction of a new state prison pursuant to section 72-1001.

Sec. 14. Section 61-305, Revised Statutes Supplement, 2023, is amended to

read:

61-305 (1) The Perkins County Canal Project Fund is created. The fund shall be administered by the Department of Natural Resources. The State Treasurer shall credit to the fund any money transferred by the Legislature and such grants, loans, donations, gifts, bequests, or other money received from any federal or state agency or public or private source for use by the department for the canal project. Any fees collected for water delivery may be credited to the fund. Any money in the Perkins County Canal Project 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. Any investment earnings from investment of money in the Perkins County Canal Project Fund shall be credited to such fund, except that for fiscal years 2023-24, 2024-25, and 2025-26, such investment earnings shall be credited as provided in section 13 of this act to the Economic Recovery Contingency Fund.

(2)(a) The department shall use the Perkins County Canal Project Fund to identify the optimal route and purchase land for and develop, construct, manage, and operate the Perkins County Canal as outlined by the South Platte River Compact and to contract with an independent firm for the purposes of completing a study of such canal. The study shall include, but may not be limited to, the following:

(i) Costs of completion of a canal and adjoining reservoirs as outlined in the South Platte River Compact;

(ii) A timeline for completion of a canal and adjoining reservoirs as outlined in the South Platte River Compact;

(iii) A cost-effectiveness study examining alternatives, including alternatives that may reduce environmental or financial impacts; and

(iv) The impacts of the canal on drinking water supplies for the cities of Lincoln and Omaha.

(b) The department shall provide the findings of such study electronically to the Clerk of the Legislature and present the findings at a public hearing held by the Appropriations Committee of the Legislature on or before December 31, 2022.

Sec. 15. Section 72-819, Revised Statutes Supplement, 2023, is amended to read:

72-819 (1) The Game and Parks Commission shall construct, develop, and manage a museum and visitor center honoring Chief Standing Bear.

(2) It is the intent of the Legislature to appropriate to the Game and Parks Commission for the Chief Standing Bear Museum and visitor center:

(a) Not more than fifteen million dollars for fiscal year 2025-26 from investment earnings from the Perkins County Canal Project Fund and credited to the Economic Recovery Contingency Fund as provided in section 61-305 for construction of the museum and visitor center;

(b) Seven hundred fifty thousand dollars for fiscal year 2025-26 from investment earnings from the Perkins County Canal Project Fund and credited to the Economic Recovery Contingency Fund as provided in section 61-305 for exhibit fabrication and historical interpretation; and

(c) Two hundred thousand dollars in fiscal year 2025-26 for staffing.

(3) The Game and Parks Commission may execute a memorandum of understanding or contract with the Nebraska State Historical Society for purposes of museum and visitor center development, exhibit fabrication, and historical interpretation.

(4)(a) The Game and Parks Commission shall construct, develop, and manage a museum at Fort Robinson State Park.

(b) It is the intent of the Legislature to appropriate to the Game and Parks Commission for the museum at Fort Robinson State Park not more than seven million dollars for fiscal year 2025-26 from the Museum Construction and Maintenance Fund.

(c) The Game and Parks Commission may execute a memorandum of understanding or contract with the Nebraska State Historical Society for purposes of museum development, exhibit fabrication, and historical interpretation at Fort Robinson State Park.

Sec. 16. Section 72-1001, Revised Statutes Supplement, 2023, is amended to read:

72-1001 The Nebraska Capital Construction Fund is created. The fund shall consist of revenue and transfers credited to the fund as authorized by law. Money shall be appropriated from the fund to state agencies for making payments on projects as determined by the Legislature, including, but not limited to, purchases of land, structural improvements to land, acquisition of buildings, construction of buildings, including architectural and engineering costs, replacement of or major repairs to structural improvements to land or buildings, additions to existing structures, remodeling of buildings, and acquisition of equipment and furnishings of new or remodeled buildings. The fund shall be administered by the State Treasurer as a multiple-agency-use fund and appropriated to state agencies as determined by the Legislature. Transfers may be made from the fund to the Capitol Restoration Cash Fund at the direction of the Legislature. Any money in the Nebraska Capital Construction 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. Any investment earnings from investment of money in the Nebraska Capital Construction Fund shall be credited to such fund, except that for fiscal years 2023-24, 2024-25, and 2025-26, any investment earnings from investment of money in the Nebraska Capital Construction Fund from transfers

credited to such fund that are designated for the construction of a new state prison shall be credited as provided in section 13 of this act ~~to the Economic Recovery Contingency Fund.~~

Sec. 17. Section 81-1239, Revised Statutes Supplement, 2023, is amended to read:

81-1239 (1) The Middle Income Workforce Housing Investment Fund is created. Funding for the grant program described in section 81-1238 shall come from the Middle Income Workforce Housing Investment Fund. The Middle Income Workforce Housing Investment Fund may include revenue from appropriations from the Legislature, grants, private contributions, and other sources. Any money in the Middle Income Workforce Housing Investment 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 shall establish a subaccount within the Middle Income Workforce Housing Investment Fund that shall be used to fund affordable housing and related land parcel preparation activities under the Economic Recovery Act as described in subdivisions ~~(4)(d) (4)(e)~~ and ~~(e) (4)(f)~~ of section 81-12,241.

(3) The department shall administer the Middle Income Workforce Housing Investment Fund and may seek additional private or nonstate funds to use in the grant program, including, but not limited to, contributions from the Nebraska Investment Finance Authority and other interested parties.

(4) Interest earned by the department on grant funds shall be applied to the grant program.

(5) If a nonprofit development organization, or a recipient of subaccount funds described in subsection (2) of this section, fails to engage in a qualified activity within twenty-four months after receiving initial grant funding, the nonprofit development organization or recipient of subaccount funds shall return the grant proceeds to the department for credit to the General Fund.

(6) Beginning July 1, 2029, any funds held by the department in the Middle Income Workforce Housing Investment Fund shall be transferred to the General Fund.

Sec. 18. Section 81-1243, Revised Statutes Supplement, 2023, is amended to read:

81-1243 The department may adopt and promulgate rules and regulations to administer and enforce the Middle Income Workforce Housing Investment Act, including rules, regulations, and reporting requirements relating to proposals pursuant to subdivisions ~~(4)(d) (4)(e)~~ and ~~(e) (f)~~ of section 81-12,241.

Sec. 19. Section 81-12,195, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,195 Sections 81-12,195 to 81-12,218 and section 21 of this act shall be known and may be cited as the Nebraska Rural Projects Act.

Sec. 20. Section 81-12,196, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,196 For purposes of the Nebraska Rural Projects Act, the definitions found in sections 81-12,197 to 81-12,207 and section 21 of this act shall be used.

Sec. 21. Inland port authority has the same meaning as in section 13-3303.

Sec. 22. Section 81-12,201, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,201 Investment means the amount paid by the applicant for the project and includes any funding and other resources directed toward the project by a city, a county, an inland port authority, or a public utility. The term also includes any applicant resources received by the applicant for the project. The term does not include any matching funds received by the applicant under the Nebraska Rural Projects Act.

Sec. 23. Section 81-12,203, Revised Statutes Supplement, 2023, is amended to read:

81-12,203 Project means expenses incurred or to be incurred at one qualified location for:

(1) Site acquisition and preparation, transportation infrastructure, utility extensions, and rail spur construction for the development of a new industrial rail access business park, including any such expenses incurred to assist an initial tenant at such business park that conducts business in the manufacturing, processing, distribution, or transloading trades; or

(2) Site acquisition and preparation, transportation infrastructure, or ~~and~~ rail spur construction within thirty miles of the largest artificial reservoir constructed in this state for the storage of water.

Sec. 24. Section 81-12,215, Revised Statutes Cumulative Supplement, 2022, is amended to read:

81-12,215 (1) If approved by the director, an ~~an~~ applicant may sell all or any part of the project authorized by the Nebraska Rural Projects Act or the land on which such project is situated to (a) a person who is seeking to establish a business at the site of such project, (b) a city, a county, or a public utility for the purpose of public works infrastructure, including, but not limited to, storm water management, or (c) an inland port authority for the purpose of developing, operating, or managing an inland port district located at the site of such project if the sale is approved by the director.

(2) The director shall approve a sale under this section if the director finds that:

(a) The ~~the~~ sale furthers the goals of the project and the Nebraska Rural Projects Act; or -



(b) If the sale is to an inland port authority, the sale furthers the goals of both the Nebraska Rural Projects Act and the Municipal Inland Port Authority Act.

(3) Any sale under this section shall not affect any matching funds already granted to the applicant and shall not disqualify the applicant from receiving matching funds after the sale.

Sec. 25. Section 81-12,241, Revised Statutes Supplement, 2023, is amended to read:

81-12,241 (1) A primary responsibility of the Economic Recovery and Incentives Division of the Department of Economic Development shall be to utilize federal or state funding to award grants as provided in this section. For grants awarded under this section, the division shall pay a grantee an advance of fifty percent of the total grant awarded with the remaining grant funds paid on a monthly basis until the grant is paid in full or by December 31, 2026, whichever occurs sooner. The division may (a) require a grantee to return unused grant funds upon a documented finding that such funds are not being used for the purpose for which the grant was awarded or (b) reduce any future monthly payments by the amount of such unused funds already paid.

(2) The division shall direct and prioritize the use of grants awarded under this section toward the economic recovery of those communities and neighborhoods within qualified census tracts or economic redevelopment areas located within the boundaries of a city of the metropolitan class that were disproportionately impacted by the COVID-19 public health emergency and related challenges, with an emphasis on housing needs, assistance for small businesses, job training, and business development within such communities and neighborhoods. In prioritizing the use of grants awarded within the boundaries of a city of the metropolitan class, the Economic Recovery and Incentives Division shall rely on any studies produced pursuant to section 81-12,242.

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

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

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

(d)(i) All remaining funds shall be allocated for grants distributed under the grant program to eligible grantees in qualified census tracts that are located in a city of the metropolitan class.

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

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

(a) Not to exceed ninety million dollars in grants to a nonprofit economic development organization for the development of a business park located within or adjacent to one or more qualified census tracts located within the boundaries of a city of the metropolitan class and within two miles of a major airport as defined in section 13-3303. An innovation hub as defined in section 81-12,108 shall not qualify for a grant under this subdivision. Before the release of such grant funds, the division shall: ÷

(i) Require each recipient of a grant under this subdivision (a) to attend all meetings of the community advisory committee created pursuant to section 7 of this act;

(ii) Require each grant recipient to establish a distinct bank account exclusively for the management of grant funds received under this subdivision (a). All proceeds from the lease, sale, or purchase of any real property in the business park by any grant recipient shall only be used for the business park for a minimum of fifteen years after receipt of the grant funding; and

(iii) Not release any funds other than the planning grant to any recipient of a grant under this subdivision (a) until the following occurs:

(A) The division receives from the grantee a ten-year financial pro forma and the grantee completes due diligence on such ten-year financial pro forma;

(B) The grantee holds two public input meetings to receive public input regarding concerns, ideas, and priorities for economic development initiatives within the business park. Such public input meetings shall provide a platform for dialogue and collaboration between residents, the developer, local government officials, and other stakeholders; and

(C) A letter of support is received from the inland port authority managing the inland port district in which such business park is located;

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

~~(b) (e) Not to exceed six million dollars in grants to a nonprofit organization partnering with a city of the metropolitan class for the purpose of providing internships and crime prevention within qualified census tracts located within the boundaries of such city;~~

~~(c) (d) Not to exceed five million dollars in grants pursuant to the~~

purposes of the Nebraska Film Office Fund on or before June 30, 2023, for the purpose of producing a film on Chief Standing Bear, a portion of which is to be filmed in one or more qualified census tracts located within the boundaries of a city of the metropolitan class;

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

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

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

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

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

(a) Costs and fees associated with legal land surveys and structural assessments;

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

(c) Development of access to essential utilities, such as sanitary sewer, electric, gas, and high-speed Internet;

(d) Rehabilitation, renovation, maintenance, or other costs to secure vacant or abandoned properties in disproportionately impacted communities;

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

(f) Testing, removal, and remediation of environmental contaminants or hazards from vacant or abandoned properties in disproportionately impacted communities when conducted in compliance with applicable environmental laws or regulations;

(g) Demolition or deconstruction of vacant or abandoned buildings in disproportionately impacted communities; and

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

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

(7) All grants made by the Economic Recovery and Incentives Division utilizing state funds to carry out subsection (2) of section 81-1239 are subject to the intent and basic parameters of the federal American Rescue Plan Act of 2021 but are not subject to meet the time restraints for allocation and spending of funds or the federal reporting requirements indicated in the federal American Rescue Plan Act of 2021.

Sec. 26. Section 81-12,241.01, Revised Statutes Supplement, 2023, is amended to read:

81-12,241.01 (1)(a) The Economic Recovery and Incentives Division of the Department of Economic Development shall create and administer the North and South Omaha Recovery Grant Program to provide grants as provided in this section to public and private entities to respond to the negative impact of the COVID-19 public health emergency and build resilient and innovative communities.

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

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

(ii) Explain how the grant will relieve the negative impact of the COVID-19 public health emergency within a qualified census tract or an economic redevelopment area located within the boundaries of a city of the metropolitan class and build resilient and innovative communities, with a priority on small business development, job creation, and economic development within such communities.

(2) When considering projects for grants under this section, the division shall use the coordination plan and appendices, dated January 10, 2023. Projects that would benefit communities and neighborhoods within qualified census tracts or economic redevelopment areas located within the boundaries of a city of the metropolitan class with a priority on small business development, job creation, and economic development within such communities and neighborhoods shall be prioritized.

(3) The division shall award additional grants for the following purposes:

(a) Not to exceed twenty million dollars in grants for the purpose of

creating a museum located in one or more qualified census tracts located within the boundaries of a city of the metropolitan class and that is named in honor of a person inducted into the Nebraska Hall of Fame on or before September 1, 2023; and

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

(4) For grants awarded under this section, the division shall pay a grantee an advance of fifty percent of the total grant awarded with the remaining grant funds paid on a monthly basis until the grant is paid in full or by December 31, 2027, whichever occurs sooner. If a grantee does not use the grant funds paid, the division may (a) require such grantee to return such unused grant funds upon a documented finding that such funds have not been used or (b) reduce any future monthly payments by the amount of such unused grant funds already paid.

(5) The Department of Economic Development may assign any grant or contract awarded under the Economic Recovery Act to a city of the metropolitan class or to an inland port authority located within such city.

Sec. 27. Section 81-12,243, Revised Statutes Supplement, 2023, is amended to read:

81-12,243 (1) The Economic Recovery Contingency Fund is created. The fund shall consist of transfers by the Legislature to carry out the Economic Recovery 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. Investment earnings on and after July 1, 2023, shall be credited to the fund.

(2) The Department of Economic Development may review the projects listed in the coordination plan and the appendices by the Economic Recovery Special Committee of the Legislature dated January 10, 2023, and shall prioritize the use of the fund on projects listed in the coordination plan followed by the projects in the appendices.

(3) The State Treasurer shall transfer thirty million dollars from the Economic Recovery Contingency Fund to the Inland Port Authority Fund no later than five business days after the operative date of this section for the purpose of creating and operating an innovation district by an inland port authority and for any other purpose authorized under the Municipal Inland Port Authority Act.

(4) The State Treasurer shall transfer any unobligated funds remaining in the Economic Recovery Contingency Fund on July 31, 2026, to the Inland Port Authority Fund.

(5) The State Treasurer shall transfer seven million dollars from the Economic Recovery Contingency Fund to the Museum Construction and Maintenance Fund on or after January 1, 2026, but before June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

Sec. 28. Section 81-12,244, Revised Statutes Supplement, 2023, is amended to read:

81-12,244 (1) It is the intent of the Legislature to appropriate ten million dollars from the General Fund for fiscal year 2023-24 to the Department of Economic Development to carry out the Economic Recovery Act. The department may use not more than ten million dollars of such money for the administration of the Economic Recovery Act.

(2) The State Treasurer shall transfer (a) any interest earned after April 19, 2022, on federal funds allocated to the State of Nebraska from the federal Coronavirus State Fiscal Recovery Fund pursuant to the federal American Rescue Plan Act of 2021, 42 U.S.C. 802, as amended, to the Economic Recovery Contingency Fund between June 1, 2023, and June 30, 2023, and on or before June 30, 2024, and as provided in section 13 of this act each year thereafter, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services, and (b) any investment earnings from the investment of money in (i) the Perkins County Canal Project Fund pursuant to section 61-305 to the Economic Recovery Contingency Fund as provided in section 13 of this act, and (c) investment earnings from the investment of money in (ii) the Nebraska Capital Construction Fund from transfers credited to such fund that are designated for the construction of a new state prison pursuant to section 72-1001 to the Economic Recovery Contingency Fund between June 1, 2023, and June 30, 2023, and as provided in section 13 of this act on or before June 30 each year thereafter through June 30, 2026, on such dates and in such amounts as directed by the budget administrator of the budget division of the Department of Administrative Services.

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

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

~~(4) (5) It is the intent of the Legislature to transfer ten million~~

dollars from the General Fund to the Economic Recovery Contingency Fund for fiscal year 2023-24 and ten million dollars from the General Fund to the Economic Recovery Contingency Fund for fiscal year 2024-25 to provide grants under the Economic Recovery Act.

Sec. 29. Section 84-602, Revised Statutes Cumulative Supplement, 2022, is amended to read:

84-602 It shall be the duty of the State Treasurer:

(1) To receive and keep all money of the state not expressly required to be received and kept by some other person;

(2) To disburse the public money upon warrants drawn upon the state treasury according to law and not otherwise;

(3) To keep a just, true, and comprehensive account of all money received and disbursed;

(4) To keep a just account with each fund, and each head of appropriation made by law, and the warrants drawn against them;

(5) To report electronically to the Legislature as soon as practicable, but within ten days after the commencement of each regular session, a detailed statement of the condition of the treasury and its operations for the preceding fiscal year;

(6) To give information electronically to the Legislature, whenever required, upon any subject connected with the treasury or touching any duty of his or her office;

(7) To account for, and pay over, all money received by him or her as such treasurer, to his or her successor in office, and deliver all books, vouchers, and effects of office to him or her; and such successor shall receipt therefor. In accounting for and paying over such money the treasurer shall not be held liable on account of any loss occasioned by any investment, when such investment shall have been made pursuant to the direction of the state investment officer; ~~and~~

(8) To develop and maintain the website required under the Taxpayer Transparency Act; ~~and -~~

(9) To award grants as provided under the Municipal Inland Port Authority Act.

Sec. 30. Sections 30 to 43 of this act shall be known and may be cited as the Child Care Capacity Building and Workforce Act.

Sec. 31. The Legislature finds that:

(1) There is a lack of licensed child care programs in Nebraska;

(2) Providing incentives and support to the child care workforce will help maintain and increase the child care capacity in Nebraska;

(3) An increased child care capacity will bolster Nebraska's economy by providing parents and guardians the ability to enter, re-enter, and remain in the workforce; and

(4) The benefits of quality child care and early childhood education are indisputable and a connection exists between a child's learning experiences before entering kindergarten and success in school.

Sec. 32. For purposes of the Child Care Capacity Building and Workforce Act:

(1) Capacity means the number of children receiving care or services through an approved program;

(2) Community foundation means a tax-exempt, nonprofit, autonomous, nonsectarian, philanthropic institution supported by the public with the long-term goals of:

(a) Building permanent, component funds established by many separate donors to carry out charitable interests; and

(b) Supporting the broad-based charitable interests and benefiting the residents of a defined geographic area;

(3) Department means the Department of Economic Development;

(4) Eligible recipient means:

(a) Any city of the metropolitan class, city of the primary class, city of the first class, city of the second class, village, or county;

(b) Any nonprofit organization, including any community foundation; or

(c) Any other entity determined appropriate in rules and regulations adopted and promulgated by the department;

(5) License-exempt provider means any approved license-exempt provider enrolled in the child care subsidy program pursuant to sections 68-1202 and 68-1206;

(6) Licensed child care program means a program described in section 71-1911; and

(7) Regional facilitator hub means any entity that provides administrative and technical support to any licensed child care program, including any:

(a) Nonprofit organization; or

(b) Community foundation.

Sec. 33. (1) The Child Care Capacity Building and Workforce Grant Program is created.

(2) The department shall contract with a statewide organization that supports children and families to administer the program, which may include providing technical assistance to any grant recipient. Up to five percent of the money appropriated to the department each fiscal year for purposes of the Child Care Capacity Building and Workforce Act may be reserved for such contract with a statewide organization.

(3) Under the guidance of the department, the statewide organization shall be responsible for the following under the program:

(a) Prescribing the form on which an eligible recipient may apply to

receive a grant under the program;

- (b) Reviewing applications and identifying potential grant recipients;
- (c) Providing technical assistance to grant recipients; and
- (d) Coordinating with the Department of Health and Human Services and the State Department of Education to determine if the grant request will help meet the child care needs of the eligible recipient.

(4) The Department of Economic Development shall:

(a) Award grants to eligible recipients across the state and in urban and rural areas to the fullest extent possible;

(b) Award a grant to an eligible recipient based upon a list of the potential grant recipients that are identified by the statewide organization; and

(c) Prioritize applicants that are requesting a grant to:

(i) Increase child care capacity for children three years of age or younger by creating a new licensed child care program or license-exempt child care program serving children enrolled in child care subsidy or expanding an existing licensed-child care or license-exempt child care program serving children enrolled in child care subsidy;

(ii) Support the child care workforce; or

(iii) Create a child care program in a county that is not served by any licensed or license-exempt child care program that offers full-day full-year care.

Sec. 34. To be eligible to receive a grant under the Child Care Capacity Building and Workforce Grant Program, an eligible recipient shall complete the application form prescribed by the statewide organization and provide for a one-to-one match for the amount of the grant. The eligible recipient shall include the following required information in its grant application:

(1) A needs assessment showing the child care capacity and the needs of the eligible recipient at the time of application;

(2) How the eligible recipient plans to use the grant;

(3) How the eligible recipient plans to provide a one-to-one match for the amount of any grant received. Such match shall be in the form of:

(a) Money or other collateral;

(b) An in-kind donation, including a donation of facilities, maintenance, or equipment; or

(c) Any combination of money, collateral, or in-kind donation that is approved by the department; and

(4) Any other information required by the department.

Sec. 35. A grant recipient under the Child Care Capacity Building and Workforce Grant Program may use the grant to provide financial or other support to:

(1) The operation of a licensed child care program;

(2) The operation of a license-exempt provider serving children enrolled in child care subsidy;

(3) The child care workforce;

(4) Parents or guardians with children in child care programs;

(5) A federal Head Start program or Early Head Start program;

(6) Start or expand any existing licensed child care program or license-exempt program serving any child on a child care subsidy;

(7) An entity other than the statewide organization contracted to administer the Child Care Capacity Building and Workforce Program that provides administrative or technical support to a child care program;

(8) Build or remodel an existing building for child care purposes;

(9) Any purpose specified in rules and regulations adopted and promulgated by the department; or

(10) Any combination of such purposes.

Sec. 36. (1) Each grant recipient under the Child Care Capacity Building and Workforce Grant Program shall provide the one-to-one match prior to receiving any disbursement of grant proceeds under the program.

(2) The department shall specify how a grant recipient may provide proof of a one-to-one match for a grant.

(3) The department shall disburse the grant proceeds to any grant recipient that provides satisfactory proof of a one-to-one match. The grant may be disbursed in increments as determined by the department.

Sec. 37. (1)(a) If the department determines that a grant recipient used the grant other than as provided in section 35 of this act, the department may request the grant recipient to repay such grant and any remaining portion of the grant in the possession of the grant recipient to the department.

(b) If the department determines that a grant recipient falsified any information provided in the application process, the department may request the grant recipient to repay any or all of the grant disbursed to the grant recipient.

(2) A grant recipient that receives a request to repay a grant pursuant to subsection (1) of this section may appeal the decision, and the appeal shall be in accordance with the Administrative Procedure Act.

(3) Any money received under this section shall be remitted to the State Treasurer for credit to the Child Care Capacity Building and Workforce Cash Fund.

Sec. 38. The department shall submit a report to the Legislature electronically on July 1, 2025, and each July 1 thereafter. Each report shall include the following:

(1) For each grant awarded under the Child Care Capacity Building and Workforce Grant Program since the operative date of this section for the first

such report and since the most recent report under this section for each subsequent report:

- (a) The name of the grant recipient;
- (b) The amount of the grant;
- (c) The reason the grant was requested; and
- (d) The number, age, and county location of any children served through a valid use of a grant described under section 35 of this act;

(2) The total amount of money awarded as grants and the total number of children served under subdivision (1) of this section;

(3) A compilation of ages and county locations of all children served through a valid use of a grant described under section 35 of this act;

(4) Administrative costs of the department to administer the Child Care Capacity Building and Workforce Grant Program; and

(5) Any other information the department deems relevant to the Child Care Capacity Building and Workforce Grant Program.

Sec. 39. (1) The Family Child Care Home Grant Program is created and shall be administered by the department.

(2) The department shall provide grants for new and existing licensed family child care home programs in residential and nonresidential facilities and to create regional facilitator hubs in order to provide administrative and technical support to new and existing licensed family child care home programs in residential and nonresidential facilities.

(3) Any licensed child care provider, nonprofit organization, for-profit organization, community foundation, school, or regional facilitator hub or any other entity specified in rules and regulations adopted and promulgated by the department may apply for a grant under the Family Child Care Home Grant Program.

(4) A grant recipient under the Family Child Care Home Grant Program shall only use the grant to provide financial or other support to:

(a) An existing licensed family child care program in a residential or nonresidential building that is licensed to serve up to twelve children of mixed ages;

(b) Create a new licensed family child care home program in a residential or nonresidential building that is licensed to serve up to twelve children of mixed ages; or

(c) Regional facilitator hubs that will provide administrative and technical support to family child care home programs.

Sec. 40. The department shall submit a report to the Legislature electronically on July 1, 2025, and each July 1 thereafter. Each report shall include the following:

(1) For each grant awarded under the Family Child Care Home Grant Program since the operative date of this section for the first such report and since the most recent report under this section for each subsequent report:

- (a) The name of the grant recipient;
- (b) The amount of the grant;
- (c) The reason the grant was requested and how the money was used by the grant recipient; and
- (d) The number, age, and county location of any children served through a valid use of a grant described under section 39 of this act;

(2) The total amount of money awarded as grants and the total number of children served under subdivision (1) of this section;

(3) A compilation of ages and county locations of all children served through a valid use of a grant described under section 39 of this act;

(4) Administrative costs of the department to administer the Family Child Care Home Grant Program; and

(5) Any other information the department deems relevant to the Family Child Care Home Grant Program.

Sec. 41. (1) The Child Care Capacity Building and Workforce Cash Fund is created. The department shall administer the fund for purposes of the Child Care Capacity Building and Workforce Act. The fund may consist of transfers authorized by the Legislature and any gifts, grants, bequests, or donations to the fund.

(2) 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. 42. The total amount of grants awarded under the Child Care Capacity Building and Workforce Act shall be subject to the appropriation of funds from the Child Care Capacity Building and Workforce Cash Fund.

Sec. 43. The department may adopt and promulgate rules and regulations to administer the Child Care Capacity Building and Workforce Act.

Sec. 44. Section 31, Legislative Bill 1413, One Hundred Eighth Legislature, Second Session, 2024, is amended to read:

Sec. 31. The Museum Construction and Maintenance Fund is hereby created. The fund shall consist of transfers at the direction of the Legislature and any gifts, bequests, or other contributions to such fund from public or private entities. The Game and Parks Commission shall administer the fund. The fund shall be used to (1) provide grants to a federally recognized Indian tribe for the purposes of construction of a museum and visitor center honoring Chief Standing Bear, including visitor center development, exhibit fabrication, and historical interpretation, and for any administrative costs related to the grants, and (2) construct, develop, and manage a museum at Fort Robinson State Park. 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. Investment earnings shall be credited to the fund.

Sec. 45. Sections 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, and 43 of this act become operative three calendar months after the adjournment of this legislative session. The other sections of this act become operative on their effective date.

Sec. 46. Original sections 13-3301, 13-3302, 13-3303, 13-3304, 13-3305, 13-3306, 13-3310, and 13-3311, Reissue Revised Statutes of Nebraska, sections 81-12,195, 81-12,196, 81-12,201, 81-12,215, and 84-602, Revised Statutes Cumulative Supplement, 2022, sections 61-305, 72-819, 72-1001, 81-1239, 81-1243, 81-12,203, 81-12,241, 81-12,241.01, 81-12,243, and 81-12,244, Revised Statutes Supplement, 2023, and section 31, Legislative Bill 1413, One Hundred Eighth Legislature, Second Session, 2024, are repealed.

Sec. 47. Since an emergency exists, this act takes effect when passed and approved according to law.