

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 566**

Introduced by McDonnell, 5.

Read first time January 19, 2021

Committee:

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

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

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

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

10           (1) Capital project means a construction project to build, expand,  
11 or develop a new or existing facility or facilities;

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

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

21           (4) Department means the Department of Economic Development; and

22           (5) Qualified nonprofit organization means an organization that (a)  
23 is exempt from federal income taxes under section 501(c)(3) of the  
24 Internal Revenue Code of 1986 and (b) is related to arts, culture, or the  
25 humanities, including any organization formed for the purpose of  
26 developing and promoting the work of artists and the humanities in  
27 various visual and performing forms, such as film, sculpture, dance,  
28 painting, horticulture, multimedia, poetry, photography, performing arts,  
29 zoology, or botany.

30           Sec. 4. (1) Beginning July 1, 2021, through July 15, 2021, a  
31 qualified nonprofit organization may apply to the department for a grant

1 under the Shovel-Ready Capital Recovery and Investment Act. The  
2 application shall include, but not be limited to, the following  
3 information:

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

6 (b) The estimated cost of the capital project;

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

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

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

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

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

30 (b) For any capital project with an estimated cost of at least five  
31 million dollars but less than twenty-five million dollars, the grant

1 shall not exceed five million dollars;

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

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

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

9 (a) Secure all of the private funds described in subdivision (1)(d)  
10 of section 4 of this act through a written pledge or payment by December  
11 31, 2021, and shall begin construction on the organization's capital  
12 project by June 30, 2022; and

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

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

18 Sec. 6. The Shovel-Ready Capital Recovery and Investment Fund is  
19 created. The fund shall be administered by the department and shall be  
20 used to make grants under the Shovel-Ready Capital Recovery and  
21 Investment Act. Any money in the fund available for investment shall be  
22 invested by the state investment officer pursuant to the Nebraska Capital  
23 Expansion Act and the Nebraska State Funds Investment Act.

24 Sec. 7. It is the intent of the Legislature to appropriate twenty-  
25 five million dollars from the General Fund and ten percent of any  
26 Coronavirus Relief Funds received by the State of Nebraska on or after  
27 the effective date of this act to the department for purposes of carrying  
28 out the Shovel-Ready Capital Recovery and Investment Act.

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

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