

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 702

Introduced by McKinney, 11.

Read first time January 22, 2025

Committee:

- 1 A BILL FOR AN ACT relating to economic development; to adopt the
- 2 Neighborhood Empowerment Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 10 of this act shall be known and may be
2 cited as the Neighborhood Empowerment Act.

3 **Sec. 2.** (1) The purpose of the Neighborhood Empowerment Act is to
4 allocate financial resources directly to neighborhood associations across
5 Nebraska.

6 (2) The intent of the Neighborhood Empowerment Act is to support
7 locally driven initiatives that:

8 (a) Enhance community engagement, infrastructure, safety, economic
9 development, and overall quality of life;

10 (b) Require minimal administrative restrictions; and

11 (c) Allow communities to address their unique needs.

12 **Sec. 3.** For purposes of the Neighborhood Empowerment Act:

13 (1) Advisory board means the Neighborhood Empowerment Advisory
14 Board;

15 (2) Alliance means a collaborative organization made up of
16 representatives from multiple neighborhood associations within a specific
17 geographic area, city, or community and serves as a unifying body that
18 connects neighborhood groups together to work collectively on shared
19 concerns, priorities, and initiatives;

20 (3) Department means the Department of Economic Development;

21 (4) Eligible project means an initiative undertaken by a
22 neighborhood association that serves its local community, including any
23 infrastructure improvement, public safety enhancement, economic
24 development activity, community event, environmental project, or other
25 local community-building activity;

26 (5) Grant-spending deadline means the date one calendar year after
27 the date when grant money was received under the Neighborhood Empowerment
28 Act;

29 (6) Local means specific to or directly connected with a particular
30 place, community, or region; and

31 (7) Neighborhood association means any organization consisting of

1 residents or stakeholders from a defined geographic area, formally
2 recognized by a local government or governed by bylaws, with the purpose
3 of enhancing community engagement, safety, and quality of life.

4 **Sec. 4.** (1) Any neighborhood association in this state may apply to
5 the department for a grant under the Neighborhood Empowerment Act.

6 (2) To be eligible to receive a grant under the Neighborhood
7 Empowerment Act, the applicant shall:

8 (a) Complete the application form prescribed by the department;

9 (b) Demonstrate how initiatives of the applicant promote
10 neighborhood association membership or resident participation;

11 (c) Provide proof of an active membership base;

12 (d) Provide records of at least six months of regular meetings; and

13 (e) Provide a plan to recruit and engage residents within the
14 neighborhood.

15 (3) The application prescribed by the department pursuant to this
16 section shall only require the following information:

17 (a) The name of the neighborhood association;

18 (b) Contact information for the neighborhood association;

19 (c) A statement of the intended use for any grant money that is
20 received under the Neighborhood Empowerment Act.

21 (4)(a) The department may award up to five million dollars in grants
22 each fiscal year under the Neighborhood Empowerment Act, subject to
23 available appropriations.

24 (b) When awarding grants the department shall prioritize any
25 applicant that:

26 (i) Provides technical assistance and resources to neighborhood
27 associations;

28 (ii) Facilitates leadership development and capacity-building
29 programs; and

30 (iii) Ensures equitable distribution of resources to historically
31 underserved communities.

1 (c) Grants awarded under the Neighborhood Empowerment Act shall be
2 allocated evenly between each congressional district.

3 **Sec. 5.** (1) Grant money received by a neighborhood association
4 shall be used on or prior to the grant-spending deadline.

5 (2) Such grant money shall be used for opportunities for resident
6 participation, including community meetings, volunteer activities, and
7 public feedback sessions.

8 (3) Such grant money may be used for any of the following:

9 (a) Community programming, including any event, workshop, or clean-
10 up;

11 (b) Infrastructure improvement, including any park upgrade,
12 community garden, or neighborhood signage;

13 (c) Safety or health initiative, including any lighting, traffic-
14 calming measure, or public health outreach;

15 (d) Economic and job development initiative, including any support
16 for local business or any job training program; or

17 (e) Building the organizational capacity of neighborhood
18 associations, including leadership training, governance workshops, and
19 technology upgrades.

20 (4) Grant money received by a neighborhood association shall not be
21 used for any:

22 (a) Salary;

23 (b) Political campaign activity;

24 (c) Activity that does not serve the public good; or

25 (d) Activity that falls outside the scope of neighborhood
26 improvement.

27 **Sec. 6.** (1) Each neighborhood association that received a grant
28 under the Neighborhood Empowerment Act shall submit:

29 (a) A report to the department no later than the grant-spending
30 deadline for such grant; and

31 (b) An updated report during the thirty days prior to the

1 anniversary of such date in each of the next two years.

2 (2) Each such report shall include the following information:

3 (a) The amount of grant money received under the Neighborhood
4 Empowerment Act and the amount of such money that has been spent;

5 (b) How the grant money received under the Neighborhood Empowerment
6 Act has been spent;

7 (c) Any general impact or benefit that has been observed due to a
8 grant received under the Neighborhood Empowerment Act;

9 (d) Any suggestions for improvement of the Neighborhood Empowerment
10 Act; and

11 (e) Changes in membership and participation levels.

12 (3) The reports required under subsection (1) of this section shall
13 be submitted through the department's website in a manner prescribed by
14 the department.

15 (4) The department may work with a qualified intermediary
16 organization to assist in the oversight, reporting, and evaluation of
17 neighborhood association grant usage. Any such organization shall provide
18 regular progress updates to the department and ensure compliance with the
19 intent of the Neighborhood Empowerment Act.

20 **Sec. 7.** (1) The department shall recoup any grant money that:

21 (a) Remains unused after the grant-spending deadline of the grant;

22 or

23 (b) Was used in a manner inconsistent with section 5 of this act.

24 (2) Any money recouped by the department under this section shall be
25 remitted to the State Treasurer for credit to the General Fund.

26 **Sec. 8.** (1) The Neighborhood Empowerment Advisory Board is
27 established.

28 (2) The advisory board shall consist of nine members appointed by
29 the Governor who are representatives from neighborhood associations in
30 Nebraska.

31 (3) Each member shall serve for two years, and no member shall serve

1 consecutive terms.

2 (4) The Governor shall appoint a replacement member for any vacancy
3 on the advisory board, and such replacement member shall serve the
4 remainder of such term.

5 (5) There shall not be more than three members from each
6 congressional district on the advisory board at any time.

7 (6) At least one individual from each congressional district shall
8 represent a neighborhood association that is in a qualified census tract
9 as defined in section 19-5803.

10 (7) The advisory board shall provide feedback to the department
11 regarding the Neighborhood Empowerment Act.

12 **Sec. 9.** (1) The department shall:

13 (a) Conduct specific outreach efforts to encourage residents to form
14 or join a neighborhood association, including toolkits and workshops on
15 the benefits of neighborhood associations; and

16 (b) Designate a qualified local intermediary organization to
17 administer funding for neighborhood associations within a city of the
18 metropolitan class. Such organization shall:

19 (i) Have a proven track record of successfully supporting
20 neighborhood development and engagement initiatives;

21 (ii) Demonstrate expertise in capacity building, community
22 organizing, and leadership development within neighborhoods;

23 (iii) Be recognized for fostering collaboration between
24 neighborhoods, local government, and community organizations; and

25 (iv) Maintain operational transparency and accountability in the
26 disbursement of money.

27 (2) The department may work with a local intermediary organization
28 to conduct informational workshops, develop toolkits, and provide ongoing
29 training for neighborhood associations to maximize the impact of grant
30 funding.

31 **Sec. 10.** It is the intent of the Legislature to appropriate five

- 1 million dollars from the General Fund each fiscal year to the department
- 2 for grants under the Neighborhood Empowerment Act.