STATE *of* NEBRASKA

OFFICE OF THE GOVERNOR

LINCOLN

EXECUTIVE ORDER NO. 26-17

Responsible Administration of State Economic Development Incentives Under the ImagiNE Nebraska Act

WHEREAS, Article IV, Section 6, of the Nebraska Constitution vests the supreme executive power of the State in the Governor and requires the Governor to take care that the laws are faithfully executed and that the affairs of the State are efficiently and economically administered;

WHEREAS, Nebraska Revised Statute § 81-101 vests the civil administration of the laws of the State in the Governor and recognizes the responsibility of the Executive Branch to faithfully administer programs enacted by the Legislature;

WHEREAS, Nebraska Revised Statute § 81-1201.02(2) directs the Director of the Department of Economic Development to promote the development of an economy that contributes to and enhances the environmental quality of the state;

WHEREAS, the Legislature enacted the ImagiNE Nebraska Act, Neb. Rev. Stat. §§ 77-6801 et seq., to modernize Nebraska's economic development platform and declared that it is the policy of the State to encourage new businesses to relocate to Nebraska, encourage existing businesses to remain and grow in Nebraska, encourage the creation and retention of new, high-paying jobs, attract and retain investment capital, develop Nebraska's workforce, simplify administration of the State's tax incentive program, and improve transparency and accountability in the administration of such program, as provided in Neb. Rev. Stat. § 77-6802;

WHEREAS, the Legislature further recognized in Neb. Rev. Stat. § 77-6818(4) that the State's incentive capabilities are intended to be responsibly directed toward business activities that advance the purposes of the ImagiNE Nebraska Act, including activities that, due to their national nature, could locate outside Nebraska and therefore may be influenced through the responsible use of incentives;

WHEREAS, the Legislature enacted the Nebraska Advantage Act, Neb. Rev. Stat. §§ 77-5701 et seq., to make revisions in Nebraska's tax structure in order to encourage new businesses to relocate to Nebraska, retain existing businesses and aid in their expansion, promote the creation and retention of new, quality jobs in Nebraska, specifically jobs related to research and development,

manufacturing, and large data centers, and attract and retain investment capital in the State of Nebraska, as provided in Neb. Rev. Stat. § 77-5702;

WHEREAS, the Legislature further recognized in Neb. Rev. Stat. § 77-5723 that the applicant's incentive plan must define a project consistent with the purposes stated in the Nebraska Advantage Act to the satisfaction of the Tax Commissioner;

WHEREAS, the Legislature declared in Neb. Rev. Stat. § 77-5702(2) that it is the policy of this state to make revisions in Nebraska's tax structure in order to retain existing businesses and aid in their expansion;

WHEREAS, economic development incentives are public investments intended to advance the overall economic interests of Nebraska and must be administered in a manner that encourages responsible investment while preserving the foundational assets upon which Nebraska's economy depends, including agriculture, natural resources, infrastructure, utilities, workforce, and communities;

WHEREAS, Nebraska's agricultural economy and existing industries rely upon the continued availability and responsible stewardship of Nebraska's natural resources, including groundwater resources, reliable public utilities, and infrastructure necessary to support economic activity throughout the State;

WHEREAS, the rapid growth of proposed large-scale and resource-intensive developments, including certain large-scale data centers and other facilities with significant resource demands, has raised statewide and national concerns regarding potential impacts on groundwater resources, electric infrastructure, utility costs, public resources, land use, and existing Nebraska industries;

WHEREAS, counties and communities throughout Nebraska have considered or adopted moratoriums, additional review procedures, or other temporary measures to evaluate potential impacts associated with certain large-scale developments, demonstrating the importance of careful and consistent administration of state economic development incentives;

WHEREAS, the Governor finds that the purposes of the Nebraska Advantage Act and the ImagiNE Nebraska Act are best advanced when state incentives are directed toward projects that provide meaningful long-term benefits to Nebraska while protecting the resources, infrastructure, and industries that form the foundation of the State's economy;

NOW, THEREFORE, I, Jim Pillen, Governor of the State of Nebraska, by virtue of the authority vested in me by the Constitution and laws of the State of Nebraska, do hereby order as follows:

Section 1. Administration Consistent with Legislative Policy.

The Department of Economic Development shall administer the ImagiNE Nebraska Act consistent with the legislative policy declared in Neb. Rev. Stat. § 77-6802, the Legislature's direction regarding the responsible use of incentive capabilities in Neb. Rev. Stat. § 77-6818(4), the Director's determination authority under Neb. Rev. Stat. § 77-6827, and the purposes established by the Legislature.

The Department of Revenue shall administer the Nebraska Advantage Act consistent with the legislative policy declared in Neb. Rev. Stat. § 77-5702, and the Tax Commissioner's determination authority under Neb. Rev. Stat. § 77-5723, and the purposes established by the Legislature.

In reviewing whether an application is consistent with the purposes stated in the ImagiNE Nebraska Act, the Director of Economic Development shall consider whether the proposed project advances Nebraska's long-term economic prosperity, including the Legislature's stated objectives to encourage economic growth, attract and retain businesses and investment, create and retain high-paying employment opportunities, develop Nebraska's workforce, and improve transparency and accountability in the administration of state economic development incentives. The Director of the Department of Economic Development pursuant to § 81-1201.02(2) in coordination with the Director of the Department of Water, Environment, and Energy shall consider if an economic development project contributes to and enhances the environmental quality of the state.

In reviewing whether an amendment or addition to an agreement is consistent with the purposes stated in the Nebraska Advantage Act, the Tax Commissioner shall consider whether the proposed changes and additions to the project advances Nebraska's long-term economic prosperity, including the Legislature's stated objectives to encourage new businesses to relocate to Nebraska, retain existing businesses and aid in their expansion, promote the creation and retention of new, quality jobs in Nebraska, specifically jobs related to research and development, manufacturing, and large data centers, and attract and retain investment capital in the State of Nebraska.

Section 2. Coordination of State Interests.

The Department of Economic Development and Department of Revenue shall coordinate, as appropriate and consistent with law, with executive agencies possessing relevant expertise regarding natural resources, energy infrastructure, agriculture, public utilities, and economic development to obtain relevant technical information and ensure that incentive decisions reflect consideration of statewide interests.

Section 3. Encouragement of Responsible Economic Development.

Nothing in this Executive Order shall be interpreted as discouraging lawful economic development or private investment in Nebraska.

The purpose of this Executive Order is to ensure that state economic development incentives are administered responsibly and strategically by directing incentives toward projects that demonstrate consistency with the purposes of the Nebraska Advantage Act and ImagiNE Nebraska Act and that advance the long-term economic interests of Nebraska.

Responsible economic development requires both attracting new opportunities and ensuring that public incentives are aligned with projects that provide lasting value to Nebraska citizens while preserving the resources, infrastructure, industries, and communities that support Nebraska's continued prosperity.

Section 4. Creation of a Data Center Task Force through the Department of Water, Environment, and Energy.

Direct the Department of Water, Environment, and Energy to establish a Data Center Task Force to analyze the impact that Data Centers will have on Nebraska's water and environment. Review existing state law and provide recommendations to the Legislature in 2027 to:

(1) ensure that future Data Center projects will not degrade our natural resources; and

(2) provide recommendations for common sense county zoning guidelines.

IN WITNESS THEREOF, I hereunto set my hand and cause the Seal of the State of Nebraska to be affixed on this 20th day of July, 2026.

Jim Pillen, Governor
State of Nebraska

Attest:

Robert Evnen, Secretary of State
State of Nebraska