

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1114**

Introduced by Mello, 5; Hadley, 37.

Read first time January 22, 2014

Committee: Appropriations

A BILL

1 FOR AN ACT relating to economic development; to amend section 13-208,  
2 Reissue Revised Statutes of Nebraska, and sections  
3 81-12,154 and 81-12,167, Revised Statutes Cumulative  
4 Supplement, 2012; to change funding for certain tax  
5 credits; to state intent relating to funding; to change  
6 the termination date of the Business Innovation Act; to  
7 create a fund and provide for its use; and to repeal the  
8 original sections.  
9 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 13-208, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           13-208 The total amount of tax credit granted for  
4 programs approved and certified under the Community Development  
5 Assistance Act by the department for any fiscal year shall not exceed  
6 three hundred fifty thousand dollars, except that for fiscal ~~years~~  
7 ~~2011-12 and 2012-13, year 2014-15,~~ the total amount of tax credit  
8 granted under this section shall be reduced by ~~two hundred fifty~~  
9 thousand dollars.

10           Sec. 2. Section 81-12,154, Revised Statutes Cumulative  
11 Supplement, 2012, is amended to read:

12           81-12,154 The purpose of the Business Innovation Act is  
13 to encourage and support the transfer of Nebraska-based technology  
14 and innovation in rural and urban areas of Nebraska in order to  
15 create high growth, high technological companies, small businesses,  
16 and microenterprises and to enhance creation of wealth and quality  
17 jobs. The Legislature finds that the act will:

18           (1) Provide technical assistance planning grants pursuant  
19 to section 81-12,157 to facilitate phase one applications for the  
20 federal grant program;

21           (2) Provide financial assistance pursuant to section  
22 81-12,157 to companies receiving phase one and phase two grants  
23 pursuant to the federal grant program;

24           (3) Provide financial assistance pursuant to section  
25 81-12,158 to companies or individuals creating prototypes;

1 (4) Establish a financial assistance program pursuant to  
2 section 81-12,159 for innovation in value-added agriculture;

3 (5) Establish a financial assistance program pursuant to  
4 section 81-12,160 to identify commercial products and processes;

5 (6) Provide financial assistance pursuant to section  
6 81-12,161 to companies using Nebraska public or private college and  
7 university researchers and facilities for applied research projects;  
8 and

9 (7) Provide support and funding pursuant to section  
10 81-12,162 for microlending and microenterprise entities; and -

11 (8) Provide support for locally owned and operated  
12 Nebraska-based, high growth businesses by providing technical  
13 resources to foster development, growth, and high wage creation. For  
14 purposes of this subdivision, Nebraska-based, high growth business  
15 means a corporation, partnership, limited liability company, limited  
16 partnership, or limited liability partnership registered with the  
17 Secretary of State that has two to fifty employees and has annual  
18 sales of no less than five hundred thousand dollars and no more than  
19 two million five hundred thousand dollars.

20 Sec. 3. Section 81-12,167, Revised Statutes Cumulative  
21 Supplement, 2012, is amended to read:

22 81-12,167 The Business Innovation Act terminates on  
23 ~~October 1, 2016.~~ December 1, 2021.

24 Sec. 4. (1) The High Growth Business Development Cash  
25 Fund is created. The fund shall be administered by the Department of

1 Economic Development to fund studies related to high growth business  
2 development. The fund shall consist of money appropriated or  
3 transferred by the Legislature and gifts, grants, or bequests from  
4 any source, including money remitted to the fund from any other  
5 federal, state, public, and private sources. Any money in the fund  
6 available for investment shall be invested by the state investment  
7 officer pursuant to the Nebraska Capital Expansion Act and the  
8 Nebraska State Funds Investment Act.

9 (2) It is the intent of the Legislature that fifty  
10 thousand dollars of General Funds be appropriated to the High Growth  
11 Business Development Cash Fund to commission a nonprofit organization  
12 to provide research, analysis of best practices in other states, and  
13 make recommendations on ways to support and increase venture capital  
14 in Nebraska. The nonprofit organization shall be incorporated  
15 pursuant to the Nebraska Nonprofit Corporation Act, shall be  
16 organized exclusively for nonprofit purposes within the meaning of  
17 501(c)(3) of the Internal Revenue Code, shall be engaged in  
18 activities to facilitate and promote the growth of potential high  
19 growth businesses within the state, and shall be dedicated to the  
20 development and growth of the entrepreneurial economy. A report of  
21 the findings of the research and analysis and recommendations shall  
22 be presented to the Clerk of the Legislature no later than December  
23 1, 2014. The report shall be submitted electronically.

24 (3) On August 1, 2014, the State Treasurer shall transfer  
25 fifty thousand dollars from the General Fund to the High Growth

1 Business Development Cash Fund.

2                   Sec. 5. Original section 13-208, Reissue Revised Statutes  
3 of Nebraska, and sections 81-12,154 and 81-12,167, Revised Statutes  
4 Cumulative Supplement, 2012, are repealed.