

AMENDMENTS TO LB1093

Introduced by Appropriations.

1           1. Strike the original sections and insert the following new  
2 sections:

3           Section 1. Section 81-1210.01, Reissue Revised Statutes of Nebraska,  
4 is amended to read:

5           81-1210.01 For purposes of sections 81-1210.01 to 81-1210.03:

6           (1) Department means the Department of Economic Development;

7           (2) Internship means employment of a student in a professional or  
8 technical position for a limited period of time, by a business in  
9 Nebraska, in which the student (a) gains valuable work experience, (b)  
10 increases knowledge that assists with career decisionmaking, and (c)  
11 assists the business in accelerating short-term business objectives; and

12           (3) Student means any person who:

13           (a) Is enrolled full-time in a college, university, or other  
14 institution of higher education ~~in Nebraska; or~~

15           ~~(b) Has residency in Nebraska and is enrolled full-time in a~~  
16 ~~college, university, or other institution of higher education in a state~~  
17 ~~other than Nebraska; or~~

18           **(b e)** Applies for an internship within six months following  
19 graduation from ~~(i) a college, university, or other institution of higher~~  
20 ~~education in Nebraska or (ii) a college, university, or other institution~~  
21 ~~of higher education in a state other than Nebraska if such person had~~  
22 ~~residency in Nebraska during his or her enrollment in such college,~~  
23 ~~university, or institution.~~

24           Sec. 2. Section 81-12,160, Revised Statutes Supplement, 2015, is  
25 amended to read:

26           81-12,160 (1) The department shall establish a financial assistance  
27 program to provide financial assistance to businesses operating in

1 Nebraska that employ no more than five hundred employees or to  
2 individuals that have a prototype of a product or process for the  
3 purposes of commercializing such product or process. The applicant shall  
4 submit a feasibility study stating the potential sales and profit  
5 projections for the product or process.

6 (2) The department shall create a program with the following  
7 provisions to support commercialization of a product or process:

8 (a) Commercialization infrastructure documentation, including market  
9 assessments and start-up strategic planning;

10 (b) Promotion, marketing, advertising, and consulting;

11 (c) Management and business planning support;

12 (d) Linking companies and entrepreneurs to mentors;

13 (e) Preparing companies and entrepreneurs to acquire venture  
14 capital; and

15 (f) Linking companies to sources of capital.

16 (3) Funds shall be matched by nonstate funds equal to fifty percent  
17 of the funds requested. Matching funds may be from any nonstate source,  
18 including private foundations, federal or local government sources,  
19 quasi-governmental entities, or commercial lending institutions, or any  
20 other funds whose source does not include funds appropriated by the  
21 Legislature.

22 (4) The department shall not provide more than five hundred thousand  
23 dollars to any one project. Each year the department shall award at least  
24 two million dollars but not more than four million dollars under this  
25 section ~~The department may award up to four million dollars per year for~~  
26 ~~financial assistance under this section.~~

27 (5) Financial assistance provided under this section shall be  
28 expended within twenty-four months after the date of the awarding  
29 decision.

30 (6) To carry out this section, the department shall contract with  
31 one statewide venture development organization that is incorporated in

1 the State of Nebraska and exempt for federal tax purposes under section  
2 501(c)(3) of the Internal Revenue Code.

3 Sec. 3. Section 81-12,162, Revised Statutes Supplement, 2015, is  
4 amended to read:

5 81-12,162 (1) The department shall establish a small business  
6 investment program. The program:

7 (a) Shall provide grants to microloan delivery or microloan  
8 technical assistance organizations to:

9 (i) Better assure that Nebraska's microenterprises are able to  
10 realize their full potential to create jobs, enhance entrepreneurial  
11 skills and activity, and increase low-income households' capacity to  
12 become self-sufficient;

13 (ii) Provide funding to foster the creation of microenterprises;

14 (iii) Establish the department as the coordinating office for the  
15 facilitation of microlending and microenterprise development;

16 (iv) Facilitate the development of a permanent, statewide  
17 infrastructure of microlending support organizations to serve Nebraska's  
18 microenterprise and self-employment sectors;

19 (v) Enable the department to provide grants to community-based  
20 microenterprise development organizations in order to encourage the  
21 development and growth of microenterprises throughout Nebraska; and

22 (vi) Enable the department to engage in contractual relationships  
23 with statewide microlending support organizations which have the capacity  
24 to leverage additional nonstate funds for microenterprise lending.

25 To the maximum extent possible, the selection process should assure  
26 that the distribution of such financial assistance provides equitable  
27 access to the benefits of the Business Innovation Act by all geographic  
28 areas of the state; and

29 (b) May identify and coordinate other state and federal sources of  
30 funds which may be available to the department to enhance the state's  
31 ability to facilitate financial assistance pursuant to the program.

1           (2) To establish the criteria for making an award to a microloan  
2 delivery or microloan technical assistance organization, the department  
3 shall consider:

4           (a) The plan for providing business development services and  
5 microloans to microenterprises;

6           (b) The scope of services to be provided by the microloan delivery  
7 or microloan technical assistance organization;

8           (c) The plan for coordinating the services and loans provided by the  
9 microloan delivery or microloan technical assistance organization with  
10 commercial lending institutions;

11           (d) The geographic representation of all regions of the state,  
12 including both urban and rural communities and neighborhoods;

13           (e) The ability of the microloan delivery or microloan technical  
14 assistance organization to provide for business development in areas of  
15 chronic economic distress and low-income regions of the state;

16           (f) The ability of the microloan delivery or microloan technical  
17 assistance organization to provide business training and technical  
18 assistance to microenterprise clients;

19           (g) The ability of the microloan delivery or microloan technical  
20 assistance organization to monitor and provide financial oversight of  
21 recipients of microloans; and

22           (h) Sources and sufficiency of operating funds for the  
23 microenterprise development organization.

24           (3) Awards made by the department to a microloan delivery or  
25 microloan technical assistance organization may be used to:

26           (a) Satisfy matching fund requirements for other federal or private  
27 grants;

28           (b) Establish a revolving loan fund from which the microloan  
29 delivery or microloan technical assistance organization may make loans to  
30 microenterprises;

31           (c) Establish a guaranty fund from which the microloan delivery or

1 microloan technical assistance organization may guarantee loans made by  
2 commercial lending institutions to microenterprises;

3 (d) Provide funding for the operating costs of a microloan delivery  
4 or microloan technical assistance organization not to exceed twenty  
5 percent; and

6 (e) Provide grants to establish loan-loss reserve funds to match  
7 loan capital borrowed from other sources, including federal  
8 microenterprise loan programs.

9 (4) Any award of financial assistance to a microloan delivery or  
10 microloan technical assistance organization shall meet the following  
11 qualifications:

12 (a) Funds shall be matched by nonstate funds equivalent in money or  
13 in-kind contributions or a combination of both equal to thirty-five  
14 percent of the grant funds requested. Such matching funds may be from any  
15 nonstate source, including private foundations, federal or local  
16 government sources, quasi-governmental entities, or commercial lending  
17 institutions, or any other funds whose source does not include funds  
18 appropriated by the Legislature;

19 (b) Microloan funds shall be disbursed in microloans which do not  
20 exceed one hundred thousand dollars or used to capitalize loan-loss  
21 reserve funds for such loans; and

22 (c) A minimum of fifty percent of the microloan funds shall be used  
23 by a microenterprise development assistance organization ~~organizations~~  
24 for small business technical assistance.

25 The department shall ~~may~~ contract with a one ~~one or more~~ statewide  
26 microenterprise development assistance organization ~~organizations~~ to  
27 carry out this section.

28 (5) For fiscal year 2016-17, the department shall award at least one  
29 million two hundred fifty thousand dollars but not more than two million  
30 dollars under this section. For fiscal year 2017-18 and each fiscal year  
31 thereafter, the department shall award at least one million five hundred

1 thousand dollars but not more than two million dollars under this section  
2 Each year the department shall award at least one million dollars but not  
3 more than two million dollars under this section.

4       Sec. 4. The Board of Regents of the University of Nebraska approved  
5 the creation of the Nebraska Innovation Campus in 2009. The objective of  
6 the Nebraska Innovation Campus is to leverage the research and talent of  
7 the University of Nebraska to produce economic development for the State  
8 of Nebraska. The Board of Regents subsequently created the Nebraska  
9 Innovation Campus Development Corporation whose function is to provide  
10 strategic direction and oversight over the development of the Nebraska  
11 Innovation Campus.

12       The Legislature finds that innovation is increasingly important in  
13 the creation of new companies and the success of established ones. The  
14 Legislature acknowledges the importance of achieving the objective of the  
15 Nebraska Innovation Campus which will require a long-term strategy and  
16 may require continuing state support.

17       The Legislature determines that quantifiable measurements and  
18 benchmarks are required to track and evaluate the performance of the  
19 Nebraska Innovation Campus and its development corporation.

20       The following measurements regarding the Nebraska Innovation Campus  
21 shall be reported to the Legislature by the Board of Regents, to the  
22 extent the information is not confidential information of a private  
23 sector company:

24       (1) The percentage of investments by the state and university  
25 compared to private sector investments;

26       (2) The number of square feet of construction;

27       (3) The number of private sector companies located on Nebraska  
28 Innovation Campus;

29       (4) The number of private sector jobs located on Nebraska Innovation  
30 Campus;

31       (5) The amount of private sector research funding to the university

1 attributable to Nebraska Innovation Campus;

2 (6) The number of internships or other employment opportunities  
3 provided by private sector companies at Nebraska Innovation Campus to  
4 university students;

5 (7) The percentage of facilities leased by private sector companies;

6 (8) The number of new businesses started or supported at Nebraska  
7 Innovation Campus;

8 (9) The number of conferences and participants at Nebraska  
9 Innovation Campus; and

10 (10) The background and credentials of the appointments to the  
11 Nebraska Innovation Campus Development Corporation Board of Directors.

12 The report shall be submitted electronically to the Clerk of the  
13 Legislature by December 1 of each year.

14 Sec. 5. Original section 81-1210.01, Reissue Revised Statutes of  
15 Nebraska, and sections 81-12,160 and 81-12,162, Revised Statutes  
16 Supplement, 2015, are repealed.

17 Sec. 6. Since an emergency exists, this act takes effect when passed  
18 and approved according to law.