

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 450

Introduced by McKinney, 11.

Read first time January 15, 2021

Committee: Business and Labor

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

1 Section 1. Sections 1 to 9 of this act shall be known and may be
2 cited as the Nebraska Innovation Hub Act.

3 Sec. 2. The Legislature finds and declares that:

4 (1) Job creation through rapid technology commercialization is a
5 vital part of the state's economic well-being;

6 (2) Innovation and technology-driven entrepreneurial activity
7 coupled with venture investment creates small business startups and
8 expansions at an accelerated rate, which leads to significant employment
9 opportunities that contribute to the state's financial health and
10 economic competitiveness;

11 (3) In order to maintain a healthy state economy and to aid
12 communities, entrepreneurship and technology-based small businesses must
13 be stimulated and supported; and

14 (4) Innovation hubs could serve as a vital resource for stimulating
15 and supporting entrepreneurship and technology-based small businesses in
16 this state.

17 Sec. 3. For purposes of the Nebraska Innovation Hub Act:

18 (1) Applicant means one or more entities that submit an application
19 to the director to become designated as an iHub. Eligible applicants
20 shall be one or more of the following:

21 (a) A fully accredited institution of higher education;

22 (b) A private nonprofit corporation engaged in economic development
23 activities;

24 (c) A county, city, or village in this state that has a preexisting
25 economic development department or program; or

26 (d) A public economic development institution such as a workforce
27 investment board or an economic development corporation;

28 (2) Department means the Department of Economic Development;

29 (3) Director means the Director of Economic Development;

30 (4) iHub coordinator means the individual or entity agreed to by the
31 iHub partners who is responsible for all of the following:

1 (a) Implementing the objectives of the iHub;

2 (b) Serving as the primary agent responsible for coordinating
3 services and resources and maintaining the iHub partnership; and

4 (c) Serving as the primary liaison to the state and to the
5 department;

6 (5) iHub partner means any one of the firms, local governments,
7 economic development organizations, educational entities, or other
8 entities that make up the iHub; and

9 (6) Innovation hub or iHub means a partnership between interrelated
10 firms, local governments, economic development organizations, educational
11 entities, and industries that collectively drive economic growth within a
12 defined geographic area.

13 Sec. 4. (1) The department shall designate innovation hubs within
14 the state to stimulate partnerships, economic development, and job
15 creation by leveraging assets to provide an innovation platform for
16 startup businesses, economic development organizations, business groups,
17 and venture capitalists. The assets may include, but are not limited to,
18 research parks, technology incubators, universities, and federal
19 laboratories.

20 (2) The department shall oversee, coordinate, and provide assistance
21 to each iHub.

22 Sec. 5. (1) Applicants may apply to the director to become
23 designated as an iHub. The application shall include, but not be limited
24 to, the following information:

25 (a) A statement of purpose;

26 (b) A signed statement of cooperation and a description of the roles
27 and relationships of each iHub partner;

28 (c) A designated iHub coordinator;

29 (d) A clear explanation and map conveying the iHub's physical
30 boundary;

31 (e) A clearly identified central location for the iHub;

1 (f) Clearly identified benchmarks or milestones with approximate
2 dates as to when they will be achieved;

3 (g) A complete budget, including a description of secured funds,
4 pending funds, and potential future funding sources;

5 (h) A list and brief description of local and regional incentives
6 and support programs;

7 (i) A clearly articulated commercial market focus and plan;

8 (j) A clearly articulated iHub management structure and plan, which
9 may include a description of the capabilities, qualifications, and
10 experience of the proposed management team, team leaders, or key
11 personnel who are critical to achieving the proposed objectives;

12 (k) A list of iHub assets and resources;

13 (l) A clearly articulated focus area of the iHub, including industry
14 sectors or other targeted areas for development and growth;

15 (m) A list of specific resources available to support and guide
16 startup companies;

17 (n) A clearly articulated list of goals to be achieved with the
18 designation of the iHub;

19 (o) Expectations for job development and business creation;

20 (p) Defined performance standards agreed upon by the entities
21 involved in the development of the iHub;

22 (q) Evaluation procedures that will be used to measure the level of
23 achievement for each stated goal;

24 (r) A plan for sustainability;

25 (s) Organizational experience, including capabilities, related
26 experience, facilities, techniques, or unusual resources that are
27 integral factors for achieving the proposed objectives;

28 (t) Demonstrated experience with innovation programs, such as
29 involvement with technology commercialization;

30 (u) Demonstrated experience with technology transfer or licensing;

31 (v) Demonstrated experience with intellectual property management;

1 and

2 (w) Evidence of community engagement and support.

3 (2) The director may waive any of the requirements listed in
4 subsection (1) of this section.

5 (3) The director may designate an iHub for a term of not more than
6 five years. An iHub may reapply for a designation without limitation as
7 to the number of times.

8 (4) The iHub designation shall not be official until a memorandum of
9 understanding is entered into by the applicant and the director. The
10 memorandum of understanding shall include the goals and performance
11 standards identified in the application and other related requirements as
12 determined by the director.

13 (5) More than one iHub may be designated in an area to the extent
14 that there is a clear distinction between the focus areas of the iHubs.

15 (6) The department shall set guidelines for approval, designation,
16 operation, reporting, and redesignation of iHubs.

17 (7) An iHub shall annually report to the director on its progress in
18 meeting the goals and performance standards as described in the iHub
19 application and the implementing memorandum of understanding with the
20 director. The director shall annually post the information from these
21 reports on the department's web site and provide notice to the Governor
22 and the Legislature that the information is available on the web site.

23 Sec. 6. A designated iHub shall include:

24 (1) At least one major university or research center or institute;

25 (2) At least one economic development organization; and

26 (3) At least four additional members. Each such member shall fall
27 within one of the following categories:

28 (a) A business support organization, including a workforce
29 development or training organization, an incubator or a business
30 accelerator, a business technical assistance provider, a chamber of
31 commerce, or a networking organization that supports innovation;

1 (b) An educational consortium, including technology transfer
2 representatives;

3 (c) A venture capital network, including angel investors;

4 (d) A business foundation, innovation foundation, science
5 foundation, laboratory research institution, federal laboratory, or
6 research and development facility;

7 (e) A municipal economic development division or department; or

8 (f) A federal government partner, such as a national laboratory.

9 Sec. 7. Before an official designation as an iHub, the applicant
10 shall self-certify that the iHub and its iHub partners are current in
11 payment of all state and local taxes owed.

12 Sec. 8. (1) An iHub may do all of, but shall not be limited to, the
13 following:

14 (a) Provide counseling and technical assistance, either by direct or
15 indirect services, in the areas of entrepreneurial business planning and
16 management, financing, and marketing for small businesses;

17 (b) Provide expert advice to entrepreneurs on starting a business,
18 including legal requirements for starting a business and access to
19 financing opportunities;

20 (c) Conduct business workshops, seminars, and conferences with local
21 partners including, but not limited to, universities, community colleges,
22 local governments, state and federal service providers, private industry,
23 workforce investment boards and agencies, small business development
24 centers, microenterprise development organizations, small business
25 service agencies, economic development organizations, and chambers of
26 commerce; and

27 (d) Facilitate partnerships between innovative startup businesses,
28 research institutions, and venture capitalists or financial institutions.

29 (2) An iHub shall, to the extent feasible, do all of the following:

30 (a) Work in close collaboration with the activities of the
31 department as its primary statewide partner; and

1 (b) Coordinate activities with community colleges, universities, and
2 other state economic and workforce development programs.

3 Sec. 9. The director may adopt and promulgate rules and regulations
4 to carry out the Nebraska Innovation Hub Act.