



**Hundredth Legislature - First Session - 2007  
Committee Statement  
LB 232**

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**Hearing Date:** February 14, 2007

**Committee On:** Government, Military and Veterans Affairs

**Introducer(s):** (Dubas)

**Title:** Change the Building Entrepreneurial Communities Act

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**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

- |   |                     |  |
|---|---------------------|--|
| 5 | Yes                 | Senators Adams, Aguilar, Avery, Karpisek, Rogert |
| 1 | No                  | Senator Mines                                    |
| 2 | Present, not voting | Senators Friend, Pahls                           |
| 0 | Absent              |  |
- 

**Proponents:**

Senator Annette Dubas  
John Jordison  
Jon Bailey  
Jeff Yost

**Representing:**

Introducer  
Nebraska Rural Development Commission  
Center for Rural Affairs  
Nebraska Community Foundation

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

**Summary of purpose and/or changes:**

LB 232 makes several changes to the Building Entrepreneurial Communities Act (Act).

The purpose of the Act is to support economically depressed rural areas of Nebraska in building entrepreneurial communities through grants that create community capacity to build and sustain programs to generate and retain wealth in the community. With LB 232, an additional purpose of the Act is to establish community initiatives to attract new residents.

The bill expands which entities are eligible for grants. Current language allows two or more municipalities, counties and unincorporated areas within a county to apply. LB 232 expands that to “units of government.”

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The bill changes provisions regarding matching funds. Currently, a dollar-for-dollar match in money for grant funds by grant recipients is required. With the bill, at least 50% of those matching funds will be in cash, except in limited resource areas where the cash match requirements is 25%. The bill defines “limited resource area” as an area which has either a per capita income below the statewide average by at least 20% or a population loss in the previous twenty years of at least 20%.

Finally, the bill allows planning grants to be awarded to limited resource areas for the purpose of collaborations and development of proposals. There is no match requirement for planning grants.

**Explanation of amendments, if any:**

The committee amendment eliminates the dollar-for-dollar match for grant funds by grant recipients, and replaces it with a fifty-cent match in cash for each dollar of grant funds. The amendment also eliminates language allowing in-kind matches for grant funds.

Finally, the amendment clarifies that only local units of government are eligible to apply for these grant funds.

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**Senator Ray Aguilar, Chairperson**