

## LEGISLATIVE BILL 232

Approved by the Governor April 25, 2007

Introduced by Dubas, 34; Adams, 24; Aguilar, 35; Avery, 28; Carlson, 38; Dierks, 40; Karpisek, 32; Rogert, 16; White, 8; Fischer, 43; Harms, 48; McDonald, 41

FOR AN ACT relating to the Building Entrepreneurial Communities Act; to amend sections 81-12,126 and 81-12,127, Revised Statutes Cumulative Supplement, 2006; to provide for community initiatives to attract new residents and for planning grants; to change provisions relating to recipients of grants and matching funds as prescribed; to define a term; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 81-12,126, Revised Statutes Cumulative Supplement, 2006, is amended to read:

81-12,126 The purpose of the Building Entrepreneurial Communities Act is to support economically depressed rural areas of Nebraska in building entrepreneurial communities through grants that will create community capacity to build and sustain programs to generate and retain wealth in the community and region. Specifically, the act will:

- (1) Provide education and technical assistance to energize small business development and entrepreneurship;
- (2) Provide technical assistance to facilitate small business transfer;
- (3) Build community business capacity and leadership programs;
- (4) Generate opportunities that will attract and retain young people and families;
- (5) Provide education about philanthropy and intergenerational transfer of wealth; ~~and~~
- (6) Build community endowments to support these activities; ~~and -~~
- (7) Establish community initiatives to attract new residents.

Sec. 2. Section 81-12,127, Revised Statutes Cumulative Supplement, 2006, is amended to read:

81-12,127 (1) The Department of Economic Development, with assistance provided by the Rural Development Commission, shall establish and administer a grant process to provide grants to ~~two or more municipalities, counties, unincorporated areas within a county,~~ local units of government or census tracts that are collaborating on a project related to the purpose of the Building Entrepreneurial Communities Act with priority given to projects that best alleviate chronic economic distress. At least one of the collaborating ~~municipalities, counties, unincorporated areas within a county,~~ local units of government or census tracts shall have chronic economic distress as indicated by:

- (a) An unemployment rate which exceeds the statewide average unemployment rate;
- (b) A per capita income below the statewide average per capita income; or
- (c) A population loss between the two most recent federal decennial censuses.

(2) Grants shall not exceed seventy-five thousand dollars per collaborative project. Grant recipients shall have two years to expend the grant funds. No ~~municipality or county~~ local unit of government shall receive funding for more than one project. Grant recipients shall provide fifty cents of matching funds in cash for each dollar of grant funds, except that in limited resource areas the cash match requirement is twenty-five cents for each dollar of grant funds. a dollar-for-dollar match in money for grant funds. Grants shall be awarded directly to one of the ~~municipalities or counties~~ local units of government representing the collaborative project. The department shall act as the fiduciary agent for the grants.

(3) Planning grants may be awarded to limited resource areas in amounts not exceeding five thousand dollars for the purpose of establishing collaborations and developing proposals for submission under this section. There is no match requirement for planning grants.

(4) For purposes of this section, limited resource areas means areas that meet at least one of the following criteria:

- (a) A per capita income below the statewide average per capita income by at least twenty percent; or
- (b) A population loss in the previous twenty years of at least twenty percent.

Sec. 3. Original sections 81-12,126 and 81-12,127, Revised Statutes Cumulative Supplement, 2006, are repealed.