

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 606**

Introduced by Karpisek, 32.

Read first time January 21, 2009

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to the Microenterprise Development Act; to  
2 amend sections 81-1298 and 81-12,102, Reissue Revised  
3 Statutes of Nebraska; to redefine terms; to change a  
4 provision relating to grant qualifications; to state  
5 intent; and to repeal the original sections.  
6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 81-1298, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           81-1298 For purposes of the Microenterprise Development  
4 Act:

5           (1) Commercial lending institution means a bank,  
6 savings bank, building and loan association, or savings and loan  
7 association organized under the laws of this state or organized  
8 under the laws of the United States to do business in this state;

9           (2) Department means the Department of Economic  
10 Development;

11           (3) Microenterprise means any business, whether new or  
12 existing, with ~~five~~ ten or fewer employees and includes startup,  
13 home-based, and self-employed businesses;

14           (4) Microloan means any business loan up to ~~thirty-five~~  
15 one hundred thousand dollars;

16           (5) Microloan delivery organization means any  
17 community-based or nonprofit program which has developed a  
18 viable plan for providing training, access to financing, and  
19 technical assistance for microenterprises and which meets the  
20 criteria and qualifications established for the act;

21           (6) Operating costs means the costs associated with  
22 administering a loan or a loan guaranty, administering a revolving  
23 loan program, or providing for business training and technical  
24 assistance to a microloan recipient;

25           (7) Program means the Microenterprise Partnership

1 Program;

2 (8) Selection process means the procedures adopted by the  
3 department, as specified in section 81-12,100 and in collaboration  
4 with any statewide microloan delivery organization, by which grant  
5 recipients are selected; and

6 (9) Statewide microlending support organization means any  
7 community-based or nonprofit organization which has a demonstrated  
8 capacity and a plan for providing and administering grants or loans  
9 to microloan delivery organizations.

10 Sec. 2. Section 81-12,102, Reissue Revised Statutes of  
11 Nebraska, is amended to read:

12 81-12,102 The granting of any appropriated funds  
13 to a microloan delivery organization must meet the following  
14 qualifications:

15 (1) Granted funds must be matched by nonstate funds  
16 equivalent in money or in-kind contributions or a combination  
17 of both equal to twenty-five percent of the grant funds  
18 requested. Such matching funds can come from any nonstate source,  
19 including private foundations, federal or local government sources,  
20 quasi-governmental entities or commercial lending institutions, or  
21 any other funds whose source does not include funds appropriated  
22 from the Legislature; and

23 (2) At least fifty percent of microloan funds must be  
24 disbursed by the microloan delivery organizations in microloans  
25 which do not exceed ~~ten~~ thirty-five thousand dollars.

1                   Sec. 3. It is the intent of the Legislature to  
2 appropriate two million five hundred thousand dollars to the  
3 Microenterprise Development Cash Fund.

4                   Sec. 4. Original sections 81-1298 and 81-12,102, Reissue  
5 Revised Statutes of Nebraska, are repealed.