

LEGISLATIVE BILL 1114

Approved by the Governor April 2, 2014

Introduced by Mello, 5; Hadley, 37.

FOR AN ACT relating to economic development; to amend section 13-208, Reissue Revised Statutes of Nebraska, and sections 81-12,154 and 81-12,167, Revised Statutes Cumulative Supplement, 2012; to change funding for certain tax credits; to state intent relating to funding; to change the termination date of the Business Innovation Act; to create a fund and provide for its use; and to repeal the original sections.

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

Section 1. Section 13-208, Reissue Revised Statutes of Nebraska, is amended to read:

13-208 The total amount of tax credit granted for programs approved and certified under the Community Development Assistance Act by the department for any fiscal year shall not exceed three hundred fifty thousand dollars, except that for fiscal years 2011-12 and 2012-13, year 2014-15, the total amount of tax credit granted under this section shall be reduced by ~~two hundred~~ fifty thousand dollars.

Sec. 2. Section 81-12,154, Revised Statutes Cumulative Supplement, 2012, is amended to read:

81-12,154 The purpose of the Business Innovation Act is to encourage and support the transfer of Nebraska-based technology and innovation in rural and urban areas of Nebraska in order to create high growth, high technological companies, small businesses, and microenterprises and to enhance creation of wealth and quality jobs. The Legislature finds that the act will:

(1) Provide technical assistance planning grants pursuant to section 81-12,157 to facilitate phase one applications for the federal grant program;

(2) Provide financial assistance pursuant to section 81-12,157 to companies receiving phase one and phase two grants pursuant to the federal grant program;

(3) Provide financial assistance pursuant to section 81-12,158 to companies or individuals creating prototypes;

(4) Establish a financial assistance program pursuant to section 81-12,159 for innovation in value-added agriculture;

(5) Establish a financial assistance program pursuant to section 81-12,160 to identify commercial products and processes;

(6) Provide financial assistance pursuant to section 81-12,161 to companies using Nebraska public or private college and university researchers and facilities for applied research projects; and

(7) Provide support and funding pursuant to section 81-12,162 for microlending and microenterprise entities; and-

(8) Provide support for locally owned and operated Nebraska-based, high growth businesses by providing technical resources to foster development, growth, and high wage creation. For purposes of this subdivision, Nebraska-based, high growth business means a corporation, partnership, limited liability company, limited partnership, or limited liability partnership registered with the Secretary of State that has two to fifty employees and has annual sales of no less than five hundred thousand dollars and no more than two million five hundred thousand dollars.

Sec. 3. Section 81-12,167, Revised Statutes Cumulative Supplement, 2012, is amended to read:

81-12,167 The Business Innovation Act terminates on ~~October 1, 2016-~~ December 1, 2021.

Sec. 4. (1) The High Growth Business Development Cash Fund is created. The fund shall be administered by the Department of Economic Development to fund a study related to high growth business development. The fund shall consist of money appropriated or transferred by the Legislature and gifts, grants, or bequests from any source, including money remitted to the fund from any other federal, state, public, and private sources. Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) It is the intent of the Legislature that fifty thousand dollars of General Funds be appropriated to the High Growth Business Development Cash Fund for the department to contract with the private, nonprofit organization selected pursuant to subsection (3) of section 81-12,133 to provide research, analysis of best practices in other states, and make recommendations on ways to support and increase venture capital in Nebraska. A report of the findings

of the research and analysis and recommendations shall be presented to the Clerk of the Legislature no later than December 1, 2014. The report shall be submitted electronically.

(3) On August 1, 2014, the State Treasurer shall transfer fifty thousand dollars from the General Fund to the High Growth Business Development Cash Fund.

Sec. 5. Original section 13-208, Reissue Revised Statutes of Nebraska, and sections 81-12,154 and 81-12,167, Revised Statutes Cumulative Supplement, 2012, are repealed.