

AMENDMENTS TO LB449

Introduced by Appropriations.

1           1. Strike the original sections and insert the following new  
2 sections:

3           Section 1. Section 81-12,153, Reissue Revised Statutes of Nebraska,  
4 is amended to read:

5           81-12,153 For purposes of the Business Innovation Act:

6           (1) Department means the Department of Economic Development;

7           (2) Distressed area means a municipality, a county with a population  
8 of fewer than one hundred thousand inhabitants according to the most  
9 recent federal decennial census, an unincorporated area within a county,  
10 or a census tract in Nebraska that (a) has an unemployment rate which  
11 exceeds the statewide average unemployment rate, (b) has a per capita  
12 income below the statewide average per capita income, or (c) had a  
13 population decrease between the two most recent federal decennial  
14 censuses;

15           (3) Federal grant program means the federal Small Business  
16 Administration's Small Business Innovation Research grant program or  
17 Small Business Technology Transfer grant program;

18           (4) Microenterprise means a for-profit business entity with not more  
19 than ten full-time equivalent employees;

20           (5) Prototype means an original model on which something is  
21 patterned by a resident of Nebraska or a company located in Nebraska; and

22           (6) Value-added agriculture means increasing the net worth of food  
23 or nonfood agricultural products by processing, alternative production  
24 and handling methods, collective marketing, or other innovative  
25 practices.

26           Sec. 2. Section 81-12,157, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

1           81-12,157 (1) The department shall establish a phase one program to  
2 provide grants to small businesses that qualify under the federal grant  
3 program for the purposes of planning for an application under the federal  
4 grant program. If a small business receives funding under the federal  
5 grant program, the department or a nonprofit entity designated by the  
6 department may make grants to match up to sixty-five percent of the  
7 amount of the federal grant.

8           (2) Planning grants under subsection (1) of this section shall not  
9 exceed five thousand dollars per project. Federal award matching grants  
10 under this section shall not exceed one hundred thousand dollars. No  
11 business shall receive funding for more than one project every two years.

12           (3) The department ~~may shall not~~ award up to four ~~more than one~~  
13 million dollars per year for grants under this section.

14           Sec. 3. Section 81-12,158, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16           81-12,158 (1) The department shall establish a financial assistance  
17 program to provide financial assistance to businesses that employ no more  
18 than five hundred employees or to individuals for the purposes of  
19 creating a prototype of a product stemming from research and development  
20 at a business operating in Nebraska or a public or private college or  
21 university in Nebraska.

22           (2) Funds shall be matched by nonstate funds equivalent in money  
23 equal to fifty percent of the funds requested. Matching funds may be from  
24 any nonstate source, including private foundations, federal or local  
25 government sources, quasi-governmental entities, or commercial lending  
26 institutions, or any other funds whose source does not include funds  
27 appropriated by the Legislature. The amount the department may provide  
28 shall not exceed one hundred fifty thousand dollars per project.

29           (3) A business or individual applying for financial assistance under  
30 this section shall include a business plan that includes a proof-of-  
31 concept demonstration.

1 (4) Financial assistance under this section shall be expended within  
2 twenty-four months after the date of the awarding decision.

3 (5) The department ~~may shall not~~ award up to four ~~more than one~~  
4 million dollars per year for financial assistance under this section.

5 Sec. 4. Section 81-12,159, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 81-12,159 (1) The department shall establish an innovation in value-  
8 added agriculture program. The purpose of this program is to provide  
9 financial assistance to:

10 (a) Support small enterprise formation in the agricultural sector of  
11 Nebraska's rural economy, including innovative efforts for value-added  
12 enterprises;

13 (b) Support the development of agricultural communities and economic  
14 opportunity through innovation in farming and ranching operations, rural  
15 communities, and businesses for the development of value-added  
16 agricultural products;

17 (c) Enhance the income and opportunity for farming and ranching  
18 operations in Nebraska in order to stem the decline in their numbers;

19 (d) Increase the farming and ranching operations' share of the food-  
20 system profit;

21 (e) Enhance opportunities for farming and ranching operations to  
22 participate in electronic commerce and new and emerging markets that  
23 strengthen rural economic opportunities; and

24 (f) Encourage the production and marketing of specialty crops in  
25 Nebraska and support the creation and development of agricultural  
26 enterprises and businesses that produce and market specialty crops in  
27 Nebraska.

28 (2) Agricultural cooperatives, farming or ranching operations, and  
29 private businesses and enterprises operating in Nebraska shall be  
30 eligible for financial assistance under this section.

31 (3) An entity receiving financial assistance shall provide a match

1 of twenty-five percent for such assistance.

2 (4) The department ~~may shall not~~ award up to four ~~more than one~~  
3 million dollars per year for financial assistance under this section.

4 Sec. 5. Section 81-12,160, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 81-12,160 (1) The department shall establish a financial assistance  
7 program to provide financial assistance to businesses operating in  
8 Nebraska that employ no more than five hundred employees or to  
9 individuals that have a prototype of a product or process for the  
10 purposes of commercializing such product or process. The applicant shall  
11 submit a feasibility study stating the potential sales and profit  
12 projections for the product or process.

13 (2) The department shall create a program with the following  
14 provisions to support commercialization of a product or process:

15 (a) Commercialization infrastructure documentation, including market  
16 assessments and start-up strategic planning;

17 (b) Promotion, marketing, advertising, and consulting;

18 (c) Management and business planning support;

19 (d) Linking companies and entrepreneurs to mentors;

20 (e) Preparing companies and entrepreneurs to acquire venture  
21 capital; and

22 (f) Linking companies to sources of capital.

23 (3) Funds shall be matched by nonstate funds equal to fifty percent  
24 of the funds requested. Matching funds may be from any nonstate source,  
25 including private foundations, federal or local government sources,  
26 quasi-governmental entities, or commercial lending institutions, or any  
27 other funds whose source does not include funds appropriated by the  
28 Legislature.

29 (4) The department shall not provide more than five hundred thousand  
30 dollars to any one project, ~~and such financial assistance shall not~~  
31 ~~exceed fifty percent of the cost of the project.~~ The department may shall

1 ~~not~~ award up to four ~~more than two~~ million dollars per year for financial  
2 assistance under this section.

3 (5) Financial assistance provided under this section shall be  
4 expended within twenty-four months after the date of the awarding  
5 decision.

6 Sec. 6. Section 81-12,161, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 81-12,161 (1) The department shall establish a financial assistance  
9 program to provide financial assistance to businesses operating in  
10 Nebraska that use the faculty or facilities of a public or private  
11 college or university in Nebraska for applied research and development of  
12 new products or use intellectual property generated at a public or  
13 private college or university in Nebraska.

14 (2) A business may apply for up to two awards in any four-year  
15 period per project. The department may provide up to one hundred thousand  
16 dollars for the first phase of a project. If the first phase is  
17 successful and agreed-upon contractual requirements are met during the  
18 first phase, the department may provide up to four hundred thousand  
19 dollars for the second phase of the project.

20 (3) Funds shall be matched by nonstate funds equivalent in money  
21 equal to one hundred percent of the funds requested for both phases of  
22 the project ~~program~~. Matching funds may be from any nonstate source,  
23 including private foundations, federal or local government sources,  
24 quasi-governmental entities, or commercial lending institutions, or any  
25 other funds whose source does not include funds appropriated by the  
26 Legislature.

27 (4) The department ~~may shall not~~ award up to four ~~more than three~~  
28 million dollars per year for financial assistance under this section.

29 Sec. 7. Section 81-12,162, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 81-12,162 (1) The department shall establish a small business

1 investment program. The program:

2 (a) Shall provide grants to microloan delivery or microloan  
3 technical assistance organizations to:

4 (i) Better assure that Nebraska's microenterprises are able to  
5 realize their full potential to create jobs, enhance entrepreneurial  
6 skills and activity, and increase low-income households' capacity to  
7 become self-sufficient;

8 (ii) Provide funding to foster the creation of microenterprises;

9 (iii) Establish the department as the coordinating office for the  
10 facilitation of microlending and microenterprise development;

11 (iv) Facilitate the development of a permanent, statewide  
12 infrastructure of microlending support organizations to serve Nebraska's  
13 microenterprise and self-employment sectors;

14 (v) Enable the department to provide grants to community-based  
15 microenterprise development organizations in order to encourage the  
16 development and growth of microenterprises throughout Nebraska; and

17 (vi) Enable the department to engage in contractual relationships  
18 with statewide microlending support organizations which have the capacity  
19 to leverage additional nonstate funds for microenterprise lending.

20 To the maximum extent possible, the selection process should assure  
21 that the distribution of such financial assistance provides equitable  
22 access to the benefits of the Business Innovation Act by all geographic  
23 areas of the state; and

24 (b) May identify and coordinate other state and federal sources of  
25 funds which may be available to the department to enhance the state's  
26 ability to facilitate financial assistance pursuant to the program.

27 (2) To establish the criteria for making an award to a microloan  
28 delivery or microloan technical assistance organization, the department  
29 shall consider:

30 (a) The plan for providing business development services and  
31 microloans to microenterprises;

1 (b) The scope of services to be provided by the microloan delivery  
2 or microloan technical assistance organization;

3 (c) The plan for coordinating the services and loans provided by the  
4 microloan delivery or microloan technical assistance organization with  
5 commercial lending institutions;

6 (d) The geographic representation of all regions of the state,  
7 including both urban and rural communities and neighborhoods;

8 (e) The ability of the microloan delivery or microloan technical  
9 assistance organization to provide for business development in areas of  
10 chronic economic distress and low-income regions of the state;

11 (f) The ability of the microloan delivery or microloan technical  
12 assistance organization to provide business training and technical  
13 assistance to microenterprise clients;

14 (g) The ability of the microloan delivery or microloan technical  
15 assistance organization to monitor and provide financial oversight of  
16 recipients of microloans; and

17 (h) Sources and sufficiency of operating funds for the  
18 microenterprise development organization.

19 (3) Awards made by the department to a microloan delivery or  
20 microloan technical assistance organization may be used to:

21 (a) Satisfy matching fund requirements for other federal or private  
22 grants;

23 (b) Establish a revolving loan fund from which the microloan  
24 delivery or microloan technical assistance organization may make loans to  
25 microenterprises;

26 (c) Establish a guaranty fund from which the microloan delivery or  
27 microloan technical assistance organization may guarantee loans made by  
28 commercial lending institutions to microenterprises;

29 (d) Provide funding for the operating costs of a microloan delivery  
30 or microloan technical assistance organization not to exceed twenty  
31 percent; and

1 (e) Provide grants to establish loan-loss reserve funds to match  
2 loan capital borrowed from other sources, including federal  
3 microenterprise loan programs.

4 (4) Any award of financial assistance to a microloan delivery or  
5 microloan technical assistance organization shall meet the following  
6 qualifications:

7 (a) Funds shall be matched by nonstate funds equivalent in money or  
8 in-kind contributions or a combination of both equal to thirty-five  
9 percent of the grant funds requested. Such matching funds may be from any  
10 nonstate source, including private foundations, federal or local  
11 government sources, quasi-governmental entities, or commercial lending  
12 institutions, or any other funds whose source does not include funds  
13 appropriated by the Legislature;

14 (b) Microloan ~~At least seventy percent of microloan~~ funds shall be  
15 disbursed in microloans which do not exceed ~~fifty~~ one hundred thousand  
16 dollars or used to capitalize loan-loss reserve funds for such loans; and

17 (c) A minimum of fifty ~~At least thirty~~ percent of the microloan  
18 funds shall be used by microenterprise development assistance  
19 organizations for small business technical assistance.

20 The department may contract with one or more statewide  
21 microenterprise development assistance organizations to carry out this  
22 section.

23 (5) Each year the department shall award at least ~~five hundred~~  
24 ~~thousand~~ one million dollars but not more than ~~one~~ two million dollars  
25 under this section.

26 Sec. 8. Section 81-12,163, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 81-12,163 (1) It is the intent of the Legislature to appropriate  
29 seven million dollars from the General Fund to the department for the  
30 Business Innovation Act for each of fiscal years ~~2011-12 and 2012-13~~  
31 2015-16 and 2016-17.

1           (2) Up to five percent of the funds appropriated may be used by the  
2 department, or by a nonprofit entity with which the department contracts,  
3 for administrative expenses.

4           Sec. 9. Section 81-12,166, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6           81-12,166 (1) The department shall submit an annual report to the  
7 Governor and the Legislature on or before July 1 of each year which  
8 includes, but is not limited to, a description of the demand for  
9 financial assistance and programs under the Business Innovation Act from  
10 all geographic regions in Nebraska, a listing of the recipients and  
11 amounts of financial assistance awarded pursuant to the act in the  
12 previous fiscal year, the impact of the financial assistance, and an  
13 evaluation of the act's performance based on the documented goals of the  
14 recipients. The report submitted to the Legislature shall be submitted  
15 electronically. The department may require recipients to provide periodic  
16 performance reports to enable the department to fulfill the requirements  
17 of this section. The report shall contain no information that is  
18 protected by state or federal confidentiality laws.

19           (2) Applications for funding and related documentation which may be  
20 received, developed, created, or otherwise maintained by the Department  
21 of Economic Development in administering the Business Innovation Act may  
22 be deemed confidential by the department and not subject to public  
23 disclosure.

24           Sec. 10. Section 81-3701, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26           81-3701 Sections 81-3701 to 81-3724 and sections 13 and 14 of this  
27 act shall be known and may be cited as the Nebraska Visitors Development  
28 Act.

29           Sec. 11. Section 81-3711, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31           81-3711 The commission shall:

- 1 (1) Administer the Nebraska Visitors Development Act;
- 2 (2) Prepare and approve a budget;
- 3 (3) Elect a chairperson and vice-chairperson;
- 4 (4) Procure and evaluate data and information necessary for the
- 5 proper administration of the act;
- 6 (5) Appoint an executive director at a salary to be fixed by the
- 7 commission to conduct the day-to-day operations of the commission;
- 8 (6) Employ personnel and contract for services which are necessary
- 9 for the proper operation of the commission;
- 10 (7) Establish a means by which any interested person has the
- 11 opportunity at least annually to offer his or her ideas and suggestions
- 12 relative to the commission's duties for the upcoming year;
- 13 (8) Authorize the expenditure of funds and contracting of
- 14 expenditures to carry out the act;
- 15 (9) Keep minutes of its meetings and other books and records which
- 16 clearly reflect all of the actions and transactions of the commission and
- 17 keep such records open to examination during normal business hours; and
- 18 (10) Prohibit any funds appropriated to the commission from being
- 19 expended directly or indirectly to promote or oppose any candidate for
- 20 public office or to influence state or federal legislation.

21 Sec. 12. Section 81-3714, Reissue Revised Statutes of Nebraska, is  
22 amended to read:

23 81-3714 The State Visitors Promotion Cash Fund is created. The fund  
24 shall be administered by the commission. The fund shall consist of  
25 revenue deposited into the fund pursuant to section 81-3715 and money  
26 donated as gifts, bequests, or other contributions from public or private  
27 entities. Funds made available by any department or agency of the United  
28 States may also be credited to the fund if so directed by such department  
29 or agency. The commission shall use the proceeds of the fund to generally  
30 promote, encourage, and attract visitors to and within the State of  
31 Nebraska, to and enhance the use of travel and tourism facilities within

1 the state, and to provide marketing assistance grants to communities and  
2 organizations. The proceeds of the fund shall be in addition to funds  
3 appropriated to the commission from the General Fund. Any money in the  
4 State Visitors Promotion Cash Fund available for investment shall be  
5 invested by the state investment officer pursuant to the Nebraska Capital  
6 Expansion Act and the Nebraska State Funds Investment Act.

7       Sec. 13. (1) The commission shall develop a program to provide  
8 marketing assistance grants to communities and organizations hosting  
9 national or international-caliber events held in Nebraska that have the  
10 potential to attract a significant percentage of out-of-state visitors  
11 and to generate favorable national or international press coverage for  
12 Nebraska.

13       (2) A community or organization applying for a grant shall provide a  
14 plan to the commission that includes: (a) Documentation that the event  
15 will attract out-of-state visitors; (b) details regarding the type of  
16 marketing that would be carried out with state funds; (c) methodologies  
17 used to track the impact of marketing efforts and the number of out-of-  
18 state visitors attending the event; and (d) details regarding the  
19 potential national or international press coverage that will be generated  
20 by the event.

21       (3) The executive director shall convene a technical review  
22 committee of no fewer the three individuals representing the public  
23 sector, the private sector, and citizens at large. The technical review  
24 committee and the executive director shall review and score applications  
25 and forward recommendations to the commission for approval by the  
26 commission or a subcommittee of the commission.

27       (4) Communities and organizations receiving grants authorized under  
28 this section shall provide a final report to the commission within ninety  
29 days after the completion date of the event that includes event  
30 attendance, the use of funds, and marketing impact information.

31       Sec. 14. The Tourism Conference Cash Fund is created. The fund

1 shall be administered by the commission. All sums of money received from  
2 fees from any conference or event held by the commission shall be  
3 deposited in the fund. The commission shall use the fund to defray  
4 expenses related to any conference or event sponsored by the commission.  
5 Any money in the fund available for investment shall be invested by the  
6 state investment officer pursuant to the Nebraska Capital Expansion Act  
7 and the Nebraska State Funds Investment Act.

8       Sec. 15. It is the intent of the Legislature that any state agency  
9 operating a grant program intended to encourage tourism and to provide  
10 support for tourist attractions in Nebraska shall consult with the  
11 Nebraska Tourism Commission in its grant review process.

12       Sec. 16. Sections 7, 8, 16, 17, and 19 of this act become operative  
13 on July 1, 2015. The other sections of this act shall become operative  
14 three calendar months after adjournment of this legislative session.

15       Sec. 17. Original sections 81-12,162 and 81-12,163, Reissue Revised  
16 Statutes of Nebraska, are repealed.

17       Sec. 18. Original sections 81-12,153, 81-12,157, 81-12,158,  
18 81-12,159, 81-12,160, 81-12,161, 81-12,166, 81-3701, 81-3711, and  
19 81-3714, Reissue Revised Statutes of Nebraska, are repealed.

20       Sec. 19. Since an emergency exists, this act takes effect when  
21 passed and approved according to law.