

LEGISLATIVE BILL 641

Approved by the Governor April 27, 2017

Introduced by Morfeld, 46; Lindstrom, 18; Baker, 30.

A BILL FOR AN ACT relating to economic development; to amend sections 81-12,152 and 81-12,154, Reissue Revised Statutes of Nebraska; to provide for a Bioscience Innovation Program; to create a fund; to provide duties for the Director of Economic Development; to create the Nebraska Economic Development Task Force; to harmonize provisions; to provide operative dates; and to repeal the original sections.

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

Section 1. (1) The Bioscience Innovation Cash Fund is created. The fund shall be administered by the department to provide financial assistance to bioscience-related businesses applying for financial assistance under the Business Innovation Act. 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) The State Treasurer shall credit to the fund such money as is (a) transferred to the fund by the Legislature, (b) paid to the state as fees, deposits, payments, and repayments relating to the fund, both principal and interest, (c) donated as gifts, bequests, or other contributions to such fund from public or private entities, (d) made available by any department or agency of the United States if so directed by such department or agency, and (e) beginning October 1, 2017, received by the department as repayments of loans from the Nebraska Progress Loan Fund as authorized by the federal State Small Business Credit Initiative Act of 2010, 12 U.S.C. 5701 et seq., as such act existed on January 1, 2017.

(3) Money in the fund shall be expended by the department for the purpose of carrying out the Bioscience Innovation Program.

(4) Up to five percent of the fund may be used by the department for administrative expenses.

(5) The fund shall terminate on exhaustion of its funds following receipt of the final loan repayment provided for in subdivision (2)(b) of this section.

Sec. 2. (1) The department shall establish a Bioscience Innovation Program under the Business Innovation Act. The purpose of this program is to provide financial assistance to:

(a) Support small enterprise formation in the bioscience sector of Nebraska's rural and urban economies;

(b) Support the development of bioscience communities and economic opportunity through innovation in biofuels, biosensors, and biotechnology as it relates to animals, equipment, humans, industry, research, medical and health information, medical and health products, medical and health services, medical diagnostics, medical therapeutics, and pharmaceuticals;

(c) Enhance the creation of high-wage bioscience jobs to employ graduates of postsecondary educational institutions in Nebraska and to attract graduate students from other states;

(d) Encourage the development of new technologies in the bioscience sector and the creation of new startup businesses focused on bioscience;

(e) Leverage the state's agricultural sector to support the development of emerging bioscience technologies impacting livestock operations and crop production; and

(f) Leverage the bioscience research and development conducted at postsecondary educational institutions in Nebraska to create private-sector bioscience enterprises.

(2) Private bioscience businesses and enterprises operating in Nebraska shall be eligible for financial assistance as described in sections 81-12,157, 81-12,158, 81-12,160, and 81-12,161. A bioscience business or enterprise receiving financial assistance pursuant to any of such sections shall provide a match of one hundred percent for such assistance.

(3) The program shall terminate when the fund created under section 1 of this act terminates.

Sec. 3. Section 81-12,152, Reissue Revised Statutes of Nebraska, is amended to read:

81-12,152 Sections 81-12,152 to 81-12,167 and sections 1 and 2 of this act shall be known and may be cited as the Business Innovation Act.

Sec. 4. Section 81-12,154, Reissue Revised Statutes of Nebraska, 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 for innovation in biosciences;

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

(7) (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;

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

(9) (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. 5. (1) The Legislature finds and declares that economic development is vitally important to the well-being of the State of Nebraska, and that the Legislature and the state would benefit from a more coordinated approach to legislation addressing economic development.

(2) The Nebraska Economic Development Task Force is created. The task force shall collaborate with the Department of Economic Development and the Department of Labor to gather input on issues pertaining to economic development and discuss proactive approaches on economic development. The task force shall monitor analysis and policy development in all aspects of economic development in Nebraska. The task force shall also discuss long-range strategic plans to improve economic development within the state.

(3) The Nebraska Economic Development Task Force shall be composed of three members of the Legislature appointed by the Executive Board of the Legislative Council, one from each congressional district, and the following seven members: The chairperson of the Appropriations Committee of the Legislature or his or her designee, the chairperson of the Banking, Commerce and Insurance Committee of the Legislature or his or her designee, the chairperson of the Business and Labor Committee of the Legislature or his or her designee, the chairperson of the Education Committee of the Legislature or his or her designee, the chairperson of the Revenue Committee of the Legislature or his or her designee, the chairperson of the Legislature's Planning Committee or his or her designee, and the chairperson of the Urban Affairs Committee of the Legislature or his or her designee. The task force members shall choose a chairperson and vice-chairperson from among the task force members.

(4)(a) The Nebraska Economic Development Task Force shall meet on or before June 15, 2017, and on or before each June 15 thereafter.

(b) Following the meeting required by subdivision (4)(a) of this section, the task force shall meet not less than once every three months, but shall not be required to meet while the Legislature is in session.

(c) Meetings of the task force shall be called by the chairperson.

(d) The task force may ask other persons or entities to attend its meetings or present information at such meetings.

(e) The task force shall annually identify economic development priorities and electronically submit a report to the Legislature on or before December 31, 2017, and on or before each December 31 thereafter.

(5) This section shall terminate on January 1, 2021.

Sec. 6. Sections 1, 2, 3, 4, and 7 of this act become operative three calendar months after the adjournment of this legislative session. The other sections of this act become operative on their effective date.

Sec. 7. Original sections 81-12,152 and 81-12,154, Reissue Revised Statutes of Nebraska, are repealed.