

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB334

Hearing Date: Wednesday March 13, 2019
Committee On: Appropriations
Introducer: Stinner
One Liner: Eliminate funding for the Angel Investment Tax Credit Act and increase funding and eliminate the termination date for the Business Innovation Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 9 Senators Wishart, Vargas, Stinner, McDonnell, Hilkemann, Erdman, Dorn, Clements, Bolz
Nay:
Absent:
Present Not Voting:

Oral Testimony:

Proponents:

Senator John Stinner
Dave Rippe
Brad Justice
Johnathon Hladik
Amy Johnson
Erica Wassinger
Jim Reiff
Evan Luxon
Gary Madsen

Representing:

Introducer
Department of Economic Development
Blue Prairie Brands Incorporated
Center for Rural Affairs
Life Loop
Nebraska Chamber of Commerce and Industry
Nebraska Enterprise Fund
Centese Incorporated
Protransit Nanotherapy

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

- 1) Amends law to make the development of rules and regulations for the Enterprise Zone program to be permissive, rather than mandatory.
 - 2) Changes the termination date for the Angel Investment Tax Credit Act from 2022 to 2019.
 - 3) Provides in legislative intent that the \$4,000,000 saved from the elimination of the Angel Investment Tax Credit Act be used to increase the appropriation to the Business Innovation Act by \$4,000,000 in FY20-21 and each fiscal year thereafter.
 - 4) Provides that beginning in 2020 and in every even-numbered year thereafter, the Department of Economic Development assess and evaluate the economic impact of the programs funded under the Business Innovation Act. Findings would be submitted as part of the annual report as required under the existing law.
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- 5) Specifies that beginning with the FY21-23 biennial budget review process, the Appropriations Committee shall conduct a biennial analysis of the financial status and impact of the programs funded under the Business Innovation Act.
 - 6) Repeals Section 81-12,167, governing program termination dates.
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Explanation of amendments:

LB 334, as amended by the committee amendment AM801, strikes the original sections and inserts the following:

- 1) Amends law to make the development of rules and regulations for the Enterprise Zone program to be permissive, rather than mandatory.
- 2) Changes the termination date for the Angel Investment Tax Credit Act from 2022 to 2019, and lowers the tax credit distributions to \$3,900,000 in 2019.
- 3) Provides in legislative intent that the \$4,000,000 saved from the elimination of the Angel Investment Tax Credit Act be used to increase the appropriation to the Business Innovation Act by \$4,000,000 in FY20-21 and each fiscal year thereafter. It specifies that the \$100,000 reduction in the Angel Investment Tax Credit Act in 2019 shall be used to increase the appropriation to the Department of Revenue to implement LB 334.
- 4) Provides that beginning in 2020 and in every even-numbered year thereafter, the Department of Economic Development assess and evaluate the economic impact of the programs funded under the Business Innovation Act. Findings are to be submitted as part of the annual report as required under the existing law.
- 5) Specifies that beginning with the FY21-23 biennial budget review process, the Appropriations Committee shall conduct a biennial analysis of the financial status and impact of the programs funded under the Business Innovation Act.
- 6) Repeals Section 81-12,167, governing program termination dates.

John Stinner, Chairperson