

AMENDMENTS TO LB598

(Amendments to E&R amendments, ER136)

Introduced by Wishart, 27.

1           1. Insert the following new sections:

2           Sec. 6. Section 81-12,157, Revised Statutes Cumulative Supplement,  
3   2020, is amended to read:

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

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

15          (3) The department may award up to six ~~four~~ million dollars per year  
16   for grants under this section.

17          Sec. 7. Section 81-12,158, Revised Statutes Cumulative Supplement,  
18   2020, is amended to read:

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

25          (2) Funds shall be matched by nonstate funds equivalent in money  
26   equal to fifty percent of the funds requested. Matching funds may be from

1 any nonstate source, including private foundations, federal or local  
2 government sources, quasi-governmental entities, or commercial lending  
3 institutions, or any other funds whose source does not include funds  
4 appropriated by the Legislature. The amount the department may provide  
5 shall not exceed one hundred fifty thousand dollars per project.

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

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

11 (5) The department may award up to six ~~four~~ million dollars per year  
12 for financial assistance under this section.

13 Sec. 8. Section 81-12,159, Revised Statutes Cumulative Supplement,  
14 2020, is amended to read:

15 81-12,159 (1) The department shall establish an innovation in value-  
16 added agriculture program. The purpose of this program is to provide  
17 financial assistance to:

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

21 (b) Support the development of agricultural communities and economic  
22 opportunity through innovation in farming and ranching operations, rural  
23 communities, and businesses for the development of value-added  
24 agricultural products;

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

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

29 (e) Enhance opportunities for farming and ranching operations to  
30 participate in electronic commerce and new and emerging markets that  
31 strengthen rural economic opportunities; and

1 (f) Encourage the production and marketing of specialty crops in  
2 Nebraska and support the creation and development of agricultural  
3 enterprises and businesses that produce and market specialty crops in  
4 Nebraska.

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

8 (3) An entity receiving financial assistance shall provide a match  
9 of twenty-five percent for such assistance.

10 (4) The department may award up to six ~~four~~ million dollars per year  
11 for financial assistance under this section.

12 Sec. 9. Section 81-12,160, Revised Statutes Cumulative Supplement,  
13 2020, is amended to read:

14 81-12,160 (1) The department shall establish a financial assistance  
15 program to provide financial assistance to businesses operating in  
16 Nebraska that employ no more than five hundred employees or to  
17 individuals that have a prototype of a product or process for the  
18 purposes of commercializing such product or process. The applicant shall  
19 submit a feasibility study stating the potential sales and profit  
20 projections for the product or process.

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

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

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

26 (c) Management and business planning support;

27 (d) Linking companies and entrepreneurs to mentors;

28 (e) Preparing companies and entrepreneurs to acquire venture  
29 capital; and

30 (f) Linking companies to sources of capital.

31 (3) Funds shall be matched by nonstate funds equal to fifty percent

1 of the funds requested. Matching funds may be from any nonstate source,  
2 including private foundations, federal or local government sources,  
3 quasi-governmental entities, or commercial lending institutions, or any  
4 other funds whose source does not include funds appropriated by the  
5 Legislature.

6 (4) The department shall not provide more than five hundred thousand  
7 dollars to any one project. Each year the department may award up to six  
8 ~~four~~ million dollars under this section.

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

12 (6) To carry out this section, the department shall contract with  
13 one statewide venture development organization that is incorporated in  
14 the State of Nebraska and exempt for federal tax purposes under section  
15 501(c)(3) of the Internal Revenue Code.

16 Sec. 10. Section 81-12,161, Revised Statutes Cumulative Supplement,  
17 2020, is amended to read:

18 81-12,161 (1) The department shall establish a financial assistance  
19 program to provide financial assistance to businesses operating in  
20 Nebraska that use the faculty or facilities of a public or private  
21 college or university in Nebraska for applied research and development of  
22 new products or use intellectual property generated at a public or  
23 private college or university in Nebraska.

24 (2) A business may apply for up to two awards in any four-year  
25 period per project. The department may provide up to one hundred thousand  
26 dollars for the first phase of a project. If the first phase is  
27 successful and agreed-upon contractual requirements are met during the  
28 first phase, the department may provide up to four hundred thousand  
29 dollars for the second phase of the project.

30 (3) Funds shall be matched by nonstate funds equivalent in money  
31 equal to one hundred percent of the funds requested for both phases of

1 the project. Matching funds may be from any nonstate source, including  
2 private foundations, federal or local government sources, quasi-  
3 governmental entities, or commercial lending institutions, or any other  
4 funds whose source does not include funds appropriated by the  
5 Legislature.

6 (4) The department may award up to six ~~four~~ million dollars per year  
7 for financial assistance under this section.

8 Sec. 11. Section 81-12,162, Revised Statutes Cumulative Supplement,  
9 2020, is amended to read:

10 81-12,162 (1) The department shall establish a small business  
11 investment program. The program:

12 (a) Shall provide grants to microloan delivery or microloan  
13 technical assistance organizations to:

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

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

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

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

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

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

30 To the maximum extent possible, the selection process should assure  
31 that the distribution of such financial assistance provides equitable

1 access to the benefits of the Business Innovation Act by all geographic  
2 areas of the state; and

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

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

9 (a) The plan for providing business development services and  
10 microloans to microenterprises;

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

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

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

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

21 (f) The ability of the microloan delivery or microloan technical  
22 assistance organization to provide business training and technical  
23 assistance to microenterprise clients;

24 (g) The ability of the microloan delivery or microloan technical  
25 assistance organization to monitor and provide financial oversight of  
26 recipients of microloans; and

27 (h) Sources and sufficiency of operating funds for the  
28 microenterprise development organization.

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

31 (a) Satisfy matching fund requirements for other federal or private

1 grants;

2 (b) Establish a revolving loan fund from which the microloan  
3 delivery or microloan technical assistance organization may make loans to  
4 microenterprises;

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

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

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

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

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

24 (b) Microloan funds shall be disbursed in microloans which do not  
25 exceed one hundred thousand dollars or used to capitalize loan-loss  
26 reserve funds for such loans; and

27 (c) A minimum of fifty percent of the microloan funds shall be used  
28 by a microenterprise development assistance organization for small  
29 business technical assistance.

30 The department shall contract with a statewide microenterprise  
31 development assistance organization to carry out this section.

1           (5) Each year the department may award up to three ~~two~~ million  
2 dollars under this section.

3           Sec. 12.     Original sections 81-12,157, 81-12,158, 81-12,159,  
4 81-12,160, 81-12,161, and 81-12,162, Revised Statutes Cumulative  
5 Supplement, 2020, are repealed.

6           2. Renumber the remaining section accordingly.