

AMENDMENTS TO LB598

Introduced by Wishart, 27.

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

3 Section 1. Sections 1 to 5 of this act shall be known and may be
4 cited as the Small Business Stabilization Grant Program Act.

5 Sec. 2. The purpose of the Small Business Stabilization Grant
6 Program Act is to provide grant funds to eligible businesses that are
7 experiencing a significant loss of revenue as a result of a qualifying
8 event.

9 Sec. 3. For purposes of the Small Business Stabilization Grant
10 Program Act:

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

12 (2) Eligible business means a for-profit business that:

13 (a) Is located in this state; and

14 (b) Had no more than one million dollars of gross revenue in the
15 most recently completed calendar year; and

16 (3) Qualifying event means any natural disaster, pandemic, or other
17 event for which a state of emergency proclamation is issued by the
18 Governor pursuant to section 81-829.40.

19 Sec. 4. (1) If a qualifying event occurs, the department shall
20 establish a grant program to provide financial assistance to eligible
21 businesses that have experienced a significant loss of revenue as a
22 result of such qualifying event. An eligible business shall be considered
23 to have experienced a significant loss of revenue if its gross revenue
24 over a period of one month or more has declined by at least fifty percent
25 from the amount of gross revenue received over the same period in the
26 prior year.

27 (2) Whenever such a grant program is established, an eligible

1 business may submit an application to the department with sufficient
2 documentation to show the loss of revenue required under subsection (1)
3 of this section.

4 (3) If the applicant is an eligible business and meets the
5 requirements of subsection (1) of this section, the department shall
6 approve the application and shall notify the applicant of such approval.

7 (4) The department shall consider applications in the order in which
8 they are received and may approve applications within the limits of
9 available appropriations.

10 (5) Each grant approved under this section shall be no more than
11 twelve thousand dollars.

12 Sec. 5. The department may adopt and promulgate rules and
13 regulations to carry out the Small Business Stabilization Grant Program
14 Act.

15 Sec. 6. Section 81-12,153, Revised Statutes Cumulative Supplement,
16 2020, is amended to read:

17 81-12,153 For purposes of the Business Innovation Act:

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

19 (2) Economic redevelopment area means an area in the State of
20 Nebraska in which:

21 (a) The average rate of unemployment in the area during the period
22 covered by the most recent federal decennial census or American Community
23 Survey 5-Year Estimate by the United States Bureau of the Census is at
24 least one hundred fifty percent of the average rate of unemployment in
25 the state during the same period; and

26 (b) The average poverty rate in the area is twenty percent or more
27 for the federal census tract in the area;

28 (3) ~~(2)~~ Federal grant program means the federal Small Business
29 Administration's Small Business Innovation Research grant program or
30 Small Business Technology Transfer grant program;

31 (4) ~~(3)~~ Microenterprise means a for-profit business entity with not

1 more than ten full-time equivalent employees;

2 ~~(5)~~ (4) Prototype means an original model on which something is
3 patterned by a resident of Nebraska or a company located in Nebraska; and

4 ~~(6)~~ (5) Value-added agriculture means increasing the net worth of
5 food or nonfood agricultural products by processing, alternative
6 production and handling methods, collective marketing, or other
7 innovative practices.

8 Sec. 7. Section 81-12,157, Revised Statutes Cumulative Supplement,
9 2020, is amended to read:

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

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

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

23 Sec. 8. Section 81-12,158, Revised Statutes Cumulative Supplement,
24 2020, is amended to read:

25 81-12,158 (1) The department shall establish a financial assistance
26 program to provide financial assistance to businesses that employ no more
27 than five hundred employees or to individuals for the purposes of
28 creating a prototype of a product stemming from research and development
29 at a business operating in Nebraska or a public or private college or
30 university in Nebraska.

31 (2)(a) Until three months after the operative date of this section,

1 funds ~~(2) Funds~~ shall be matched by nonstate funds equivalent in money
2 equal to fifty percent of the funds requested; and -

3 (b) Beginning three months after the operative date of this section,
4 funds shall be matched by nonstate funds equivalent in money equal to:

5 (i) Twenty-five percent of the funds requested if the applicant's
6 principal residence or principal place of business is located in an
7 economic redevelopment area within a city of the metropolitan class; or

8 (ii) Fifty percent of the funds requested for any other applicant.

9 (3) Matching funds may be from any nonstate source, including
10 private foundations, federal or local government sources, quasi-
11 governmental entities, or commercial lending institutions, or any other
12 funds whose source does not include funds appropriated by the
13 Legislature.

14 (4) The amount the department may provide shall not exceed one
15 hundred fifty thousand dollars per project.

16 (5) ~~(3)~~ A business or individual applying for financial assistance
17 under this section shall include a business plan that includes a proof-
18 of-concept demonstration.

19 (6) ~~(4)~~ Financial assistance under this section shall be expended
20 within twenty-four months after the date of the awarding decision.

21 (7) ~~(5)~~ The department may award up to six ~~four~~ million dollars per
22 year for financial assistance under this section.

23 Sec. 9. Section 81-12,159, Revised Statutes Cumulative Supplement,
24 2020, is amended to read:

25 81-12,159 (1) The department shall establish an innovation in value-
26 added agriculture program. The purpose of this program is to provide
27 financial assistance to:

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

31 (b) Support the development of agricultural communities and economic

1 opportunity through innovation in farming and ranching operations, rural
2 communities, and businesses for the development of value-added
3 agricultural products;

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

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

8 (e) Enhance opportunities for farming and ranching operations to
9 participate in electronic commerce and new and emerging markets that
10 strengthen rural economic opportunities; and

11 (f) Encourage the production and marketing of specialty crops in
12 Nebraska and support the creation and development of agricultural
13 enterprises and businesses that produce and market specialty crops in
14 Nebraska.

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

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

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

22 Sec. 10. Section 81-12,160, Revised Statutes Cumulative Supplement,
23 2020, is amended to read:

24 81-12,160 (1) The department shall establish a financial assistance
25 program to provide financial assistance to businesses operating in
26 Nebraska that employ no more than five hundred employees or to
27 individuals that have a prototype of a product or process for the
28 purposes of commercializing such product or process. The applicant shall
29 submit a feasibility study stating the potential sales and profit
30 projections for the product or process.

31 (2) The department shall create a program with the following

1 provisions to support commercialization of a product or process:

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

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

5 (c) Management and business planning support;

6 (d) Linking companies and entrepreneurs to mentors;

7 (e) Preparing companies and entrepreneurs to acquire venture
8 capital; and

9 (f) Linking companies to sources of capital.

10 (3) Funds shall be matched by nonstate funds equal to fifty percent
11 of the funds requested. Matching funds may be from any nonstate source,
12 including private foundations, federal or local government sources,
13 quasi-governmental entities, or commercial lending institutions, or any
14 other funds whose source does not include funds appropriated by the
15 Legislature.

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

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

22 (6) To carry out this section, the department shall contract with
23 one statewide venture development organization that is incorporated in
24 the State of Nebraska and exempt for federal tax purposes under section
25 501(c)(3) of the Internal Revenue Code.

26 Sec. 11. Section 81-12,161, Revised Statutes Cumulative Supplement,
27 2020, is amended to read:

28 81-12,161 (1) The department shall establish a financial assistance
29 program to provide financial assistance to businesses operating in
30 Nebraska that use the faculty or facilities of a public or private
31 college or university in Nebraska for applied research and development of

1 new products or use intellectual property generated at a public or
2 private college or university in Nebraska.

3 (2) A business may apply for up to two awards in any four-year
4 period per project. The department may provide up to one hundred thousand
5 dollars for the first phase of a project. If the first phase is
6 successful and agreed-upon contractual requirements are met during the
7 first phase, the department may provide up to four hundred thousand
8 dollars for the second phase of the project.

9 (3) Funds shall be matched by nonstate funds equivalent in money
10 equal to one hundred percent of the funds requested for both phases of
11 the project. Matching funds may be from any nonstate source, including
12 private foundations, federal or local government sources, quasi-
13 governmental entities, or commercial lending institutions, or any other
14 funds whose source does not include funds appropriated by the
15 Legislature.

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

18 Sec. 12. Section 81-12,162, Revised Statutes Cumulative Supplement,
19 2020, is amended to read:

20 81-12,162 (1) The department shall establish a small business
21 investment program. The program:

22 (a) Shall provide grants to microloan delivery or microloan
23 technical assistance organizations to:

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

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

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

31 (iv) Facilitate the development of a permanent, statewide

1 infrastructure of microlending support organizations to serve Nebraska's
2 microenterprise and self-employment sectors;

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

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

9 To the maximum extent possible, the selection process should assure
10 that the distribution of such financial assistance provides equitable
11 access to the benefits of the Business Innovation Act by all geographic
12 areas of the state; and

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

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

19 (a) The plan for providing business development services and
20 microloans to microenterprises;

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

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

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

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

31 (f) The ability of the microloan delivery or microloan technical

1 assistance organization to provide business training and technical
2 assistance to microenterprise clients;

3 (g) The ability of the microloan delivery or microloan technical
4 assistance organization to monitor and provide financial oversight of
5 recipients of microloans; and

6 (h) Sources and sufficiency of operating funds for the
7 microenterprise development organization.

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

10 (a) Satisfy matching fund requirements for other federal or private
11 grants;

12 (b) Establish a revolving loan fund from which the microloan
13 delivery or microloan technical assistance organization may make loans to
14 microenterprises;

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

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

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

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

27 (a) Funds shall be matched by nonstate funds equivalent in money or
28 in-kind contributions or a combination of both equal to thirty-five
29 percent of the grant funds requested. Such matching funds may be from any
30 nonstate source, including private foundations, federal or local
31 government sources, quasi-governmental entities, or commercial lending

1 institutions, or any other funds whose source does not include funds
2 appropriated by the Legislature;

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

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

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

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

13 Sec. 13. Sections 6 and 14 of this act become operative three
14 calendar months after the adjournment of this legislative session. The
15 other sections of this act become operative on their effective date.

16 Sec. 14. Original section 81-12,153, Revised Statutes Cumulative
17 Supplement, 2020, is repealed.

18 Sec. 15. Original sections 81-12,157, 81-12,158, 81-12,159,
19 81-12,160, 81-12,161, and 81-12,162, Revised Statutes Cumulative
20 Supplement, 2020, are repealed.

21 Sec. 16. Since an emergency exists, this act takes effect when
22 passed and approved according to law.