

AMENDMENTS TO LB450

Introduced by Business and Labor.

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

3           Section 1. Sections 1 to 10 of this act shall be known and may be  
4 cited as the Nebraska Innovation Hub Act.

5           Sec. 2. The Legislature finds and declares that:

6           (1) Job creation through rapid technology commercialization is a  
7 vital part of the state's economic well-being;

8           (2) Innovation and technology-driven entrepreneurial activity  
9 coupled with venture investment creates small business startups and  
10 expansions at an accelerated rate, which leads to significant employment  
11 opportunities that contribute to the state's financial health and  
12 economic competitiveness;

13           (3) In order to maintain a healthy state economy and to aid  
14 communities, entrepreneurship and technology-based small businesses must  
15 be stimulated and supported; and

16           (4) Innovation hubs could serve as a vital resource for stimulating  
17 and supporting entrepreneurship and technology-based small businesses in  
18 this state.

19           Sec. 3. For purposes of the Nebraska Innovation Hub Act:

20           (1) Applicant means one or more entities that submit an application  
21 to the director to become designated as an iHub. Eligible applicants  
22 shall be one or more of the following:

23           (a) A fully accredited institution of higher education;

24           (b) A private nonprofit corporation engaged in economic development  
25 activities;

26           (c) A county, city, or village in this state that has a preexisting  
27 economic development department or program; or

1       (d) A public economic development institution such as a workforce  
2 investment board or an economic development corporation;

3       (2) Department means the Department of Economic Development;

4       (3) Director means the Director of Economic Development;

5       (4) Economic redevelopment area means an area in the State of  
6 Nebraska in which:

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

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

14       (5) iHub area means the geographical area in this state in which an  
15 iHub will operate. An iHub area may include:

16       (a) An economic redevelopment area; and

17       (b) An enterprise zone designated pursuant to the Enterprise Zone  
18 Act;

19       (6) iHub coordinator means the individual or entity agreed to by the  
20 iHub partners who is responsible for all of the following:

21       (a) Implementing the objectives of the iHub;

22       (b) Serving as the primary agent responsible for coordinating  
23 services and resources and maintaining the iHub partnership; and

24       (c) Serving as the primary liaison to the state and to the  
25 department;

26       (7) iHub partner means any one of the firms, local governments,  
27 economic development organizations, educational entities, or other  
28 entities that make up the iHub; and

29       (8) Innovation hub or iHub means a partnership between interrelated  
30 firms, local governments, economic development organizations, educational  
31 entities, and other entities that collectively drive economic growth

1 within an iHub area.

2 Sec. 4. The department shall designate innovation hubs within iHub  
3 areas to stimulate partnerships, economic development, and job creation  
4 by leveraging assets to provide an innovation platform for startup  
5 businesses, economic development organizations, business groups, and  
6 venture capitalists. The assets may include, but are not limited to,  
7 research parks, technology incubators, universities, and federal  
8 laboratories.

9 Sec. 5. (1) Applicants may apply to the director to become  
10 designated as an iHub. Applications shall be submitted on or after  
11 November 1, 2021, and before June 1, 2022. The application shall include,  
12 but not be limited to, the following:

13 (a) A statement of purpose;

14 (b) A signed statement of cooperation and a description of the roles  
15 and relationships of each iHub partner;

16 (c) A designated iHub coordinator;

17 (d) A clear explanation and map conveying the iHub area;

18 (e) A clearly identified central location for the iHub;

19 (f) Clearly identified benchmarks or milestones with approximate  
20 dates as to when they will be achieved;

21 (g) A complete budget, including a description of secured funds,  
22 pending funds, and potential future funding sources;

23 (h) A list and brief description of local and regional incentives  
24 and support programs;

25 (i) A clearly articulated commercial market focus and plan;

26 (j) A clearly articulated iHub management structure and plan, which  
27 may include a description of the capabilities, qualifications, and  
28 experience of the proposed management team, team leaders, or key  
29 personnel who are critical to achieving the proposed objectives;

30 (k) A list of iHub assets and resources;

31 (l) A clearly articulated focus area of the iHub, including industry

1 sectors or other targeted areas for development and growth;

2 (m) A list of specific resources available to support and guide  
3 startup companies;

4 (n) A clearly articulated list of goals to be achieved with the  
5 designation of the iHub;

6 (o) Expectations for job development and business creation;

7 (p) Defined performance standards agreed upon by the entities  
8 involved in the development of the iHub;

9 (q) Evaluation procedures that will be used to measure the level of  
10 achievement for each stated goal;

11 (r) A plan for sustainability;

12 (s) Organizational experience, including capabilities, related  
13 experience, facilities, techniques, or unusual resources that are  
14 integral factors for achieving the proposed objectives;

15 (t) Demonstrated experience with innovation programs, such as  
16 involvement with technology commercialization;

17 (u) Demonstrated experience with technology transfer or licensing;

18 (v) Demonstrated experience with intellectual property management;

19 (w) Evidence of community engagement and support; and

20 (x) An application fee of one thousand dollars. The director shall  
21 remit all application fees received under this section to the State  
22 Treasurer for credit to the Innovation Hub Cash Fund.

23 (2) The director may waive any of the requirements listed in  
24 subsection (1) of this section, except for the application fee.

25 (3) The director shall determine whether or not to approve the  
26 requested iHub designation by no later than July 1, 2022. Each iHub  
27 designation shall be for a term of not more than five years. An iHub may  
28 apply for redesignation without limitation as to the number of times.

29 (4) The iHub designation shall not be official until a memorandum of  
30 understanding is entered into by the applicant and the director. The  
31 memorandum of understanding shall include the goals and performance

1 standards identified in the application and other related requirements as  
2 determined by the director.

3 (5) More than one iHub may be designated in the same iHub area to  
4 the extent that there is a clear distinction between the focus areas of  
5 the iHubs.

6 (6) The department shall set guidelines for approval, designation,  
7 operation, reporting, and redesignation of iHubs.

8 (7) An iHub shall annually report to the director on its progress in  
9 meeting the goals and performance standards as described in the iHub  
10 application and the implementing memorandum of understanding with the  
11 director. The report shall also include information regarding the number  
12 of businesses served, the number of jobs created, and the amount of funds  
13 raised by the iHub. The director shall annually post the information from  
14 these reports on the department's web site and provide notice to the  
15 Governor and the Legislature that the information is available on the web  
16 site.

17 Sec. 6. A designated iHub shall include:

18 (1) At least one major university or research center or institute;

19 (2) At least one economic development organization; and

20 (3) At least four additional members. Each such member shall fall  
21 within one of the following categories:

22 (a) A business support organization, including a workforce  
23 development or training organization, an incubator or a business  
24 accelerator, a business technical assistance provider, a chamber of  
25 commerce, or a networking organization that supports innovation;

26 (b) An educational consortium, including technology transfer  
27 representatives;

28 (c) A venture capital network, including angel investors;

29 (d) A business foundation, innovation foundation, science  
30 foundation, laboratory research institution, federal laboratory, or  
31 research and development facility;

- 1       (e) A municipal economic development division or department;
- 2       (f) A federal government partner, such as a national laboratory;
- 3       (g) A bank or other financial institution; or
- 4       (h) A labor union or similar employee organization.

5       Sec. 7. Before an official designation as an iHub, the applicant  
6 shall self-certify that the iHub and its iHub partners are current in  
7 payment of all state and local taxes owed.

8       Sec. 8. (1) An iHub may do all of, but shall not be limited to, the  
9 following:

10       (a) Provide counseling and technical assistance to entrepreneurs,  
11 either by direct or indirect services, in the following areas:

- 12       (i) Entrepreneurial business planning and management;
- 13       (ii) Financing and the use of credit;
- 14       (iii) Marketing for small businesses;
- 15       (iv) Tax education;
- 16       (v) Financial account management, bookkeeping, and budgeting;
- 17       (vi) Leadership development;
- 18       (vii) Insurance needs and requirements;
- 19       (viii) Sources for grant funding and how to apply for such grants;
- 20       (ix) Financial literacy education;
- 21       (x) Permit and licensing requirements; and
- 22       (xi) Government procurement processes;

23       (b) Provide expert advice to entrepreneurs on starting a business,  
24 including legal requirements for starting a business and access to  
25 financing opportunities;

26       (c) Conduct business workshops, seminars, and conferences with local  
27 partners including, but not limited to, universities, community colleges,  
28 local governments, state and federal service providers, private industry,  
29 workforce investment boards and agencies, small business development  
30 centers, microenterprise development organizations, small business  
31 service agencies, economic development organizations, and chambers of

1 commerce; and

2 (d) Facilitate partnerships between innovative startup businesses,  
3 research institutions, and venture capitalists or financial institutions.

4 (2) An iHub shall, to the extent feasible, do all of the following:

5 (a) Work in close collaboration with the activities of the  
6 department as its primary statewide partner; and

7 (b) Coordinate activities with community colleges, universities, and  
8 other state economic and workforce development programs.

9 Sec. 9. The Innovation Hub Cash Fund is created. The fund shall be  
10 administered by the department and shall consist of application fees  
11 received under section 5 of this act and any other money as determined by  
12 the Legislature. The fund shall be used by the department for purposes of  
13 carrying out the Nebraska Innovation Hub Act. Any money in the fund  
14 available for investment shall be invested by the state investment  
15 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
16 State Funds Investment Act.

17 Sec. 10. The director may adopt and promulgate rules and  
18 regulations to carry out the Nebraska Innovation Hub Act.