

AMENDMENTS TO LB1205

Introduced by Clouse, 37.

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

3           **Section 1.** Section 81-12,162, Reissue Revised Statutes of Nebraska,  
4 is amended to read:

5           81-12,162 (1) The department shall establish a small business  
6 investment program. The program:

7           (a) Shall provide grants to microloan delivery organizations,  
8 microloan technical assistance organizations, and innovation hubs to:

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

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

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

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

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

22           (vi) Enable the department to engage in contractual relationships  
23 with statewide microlending support organizations and innovation hubs  
24 which have the capacity to leverage additional nonstate funds for  
25 microenterprise lending.

26           To the maximum extent possible, the selection process should assure  
27 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 organization, microloan technical assistance organization, or  
8 innovation hub, the department 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 organization, microloan technical assistance organization, or innovation  
13 hub;

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

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

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

23 (f) The ability of the microloan delivery organization, microloan  
24 technical assistance organization, or innovation hub to provide business  
25 training and technical assistance to microenterprise clients;

26 (g) The ability of the microloan delivery organization, microloan  
27 technical assistance organization, or innovation hub to monitor and  
28 provide financial oversight of recipients of microloans; and

29 (h) Sources and sufficiency of operating funds for the  
30 microenterprise development organization.

31 (3) Awards made by the department to a microloan delivery

1 organization, microloan technical assistance organization, or innovation  
2 hub may be used to:

3 (a) Satisfy matching fund requirements for other federal or private  
4 grants;

5 (b) Establish a revolving loan fund from which the microloan  
6 delivery organization, microloan technical assistance organization, or  
7 innovation hub may make loans to microenterprises;

8 (c) Establish a guaranty fund from which the microloan delivery  
9 organization, microloan technical assistance organization, or innovation  
10 hub may guarantee loans made by commercial lending institutions to  
11 microenterprises;

12 (d) Provide funding for the operating costs of a microloan delivery  
13 organization, microloan technical assistance organization, or innovation  
14 hub not to exceed twenty percent; and

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

18 (4) Any award of financial assistance to a microloan delivery  
19 organization, microloan technical assistance organization, or innovation  
20 hub shall meet the following qualifications:

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

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

31 (c) A minimum of fifty percent of the microloan funds shall be used

1 by a microenterprise development assistance organization for small  
2 business technical assistance.

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

5 (5) The ~~Each year~~ the department may award up to three million  
6 dollars per year under this section and beginning in fiscal year 2027-28,  
7 shall award up to three million dollars per year under this section.