

**ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025**  
**COMMITTEE STATEMENT**  
**LB536**

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**Hearing Date:** Tuesday February 25, 2025  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Sorrentino  
**One Liner:** Adopt the Manufacturing Modernization Pilot Investment Act

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

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**Vote Results:**  
**Aye:** 8 Senators Jacobson, Bostar, Dungan, Hallstrom, Hardin, Riepe, von Gillern, Wordekemper  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Testimony:**

**Proponents:**

Senator Tony Sorrentino  
Michael Johnson

Michael Boyle  
Randy Kinney

**Opponents:**

**Neutral:**

**Representing:**

Opening Presenter  
Nebraska Chamber of Commerce, Greater Omaha Chamber, Lincoln Chamber, Nebraska Economic Developers Association  
Kawasaki  
Kinney Manufacturing

**Representing:**

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\* ADA Accommodation Written Testimony

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**Summary of purpose and/or changes:**

LB 536 would adopt the Manufacturing Modernization Pilot Investment Act (Act).

Section 1: States that sections 1 to 8 of the bill would make up the Act.

Section 2: States that the purpose of the Act is to partner with the manufacturing sector by providing one-time grants to eligible manufacturing operations to assist such operations with capital investments in qualified investments that will increase, and lead to the adoption and integration of, smart technologies and increased productivity in existing manufacturing operations located in this state and that will provide a positive economic impact in the State of Nebraska.



Section 3: Provides defined terms used throughout the Act.

Section 4: Provides that from October 1, 2025, to November 1, 2025, eligible manufacturing operations could apply to the Department of Economic Development for modernization grants. Applications would need to detail the project, its estimated cost, and documented private matching funds (equal to or greater than the requested grant, though the source need not be named). The Department would review applications in order of receipt and approve qualified applicants, subject to available funding. Grants would match the private funding, up to a maximum of \$250,000.

Section 5: Manufacturing modernization investment project applications would not be approved for projects already started prior to the date of application. Any eligible manufacturing operation that later becomes ineligible would have to repay any grant funds received.

Section 6: Creates the Manufacturing Modernization Pilot Investment Fund. The fund would consist of transfers by the Legislature, gifts, grants, and bequests from any source (federal, state, public, or private). The Department would administer the fund, using it to provide grants under the Act.

Section 7: States the intent of the Legislature to appropriate [XXXX] annually from the General Fund to the Department for purposes of carrying out the Act.

Section 8: Gives the Department authority to adopt and promulgate rules and regulations to carry out the Act.

Section 9: Emergency clause.

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**Explanation of amendments:**

AM756 is a white copy amendment that strikes and replaces the original sections to LB536 in the following ways:

1. The name of the Act is changed to the Manufacturing Modernization and Workforce Development Pilot Investment Act.
2. The purpose of the Act is changed to provide one-time grants to eligible manufacturing operations for new and existing capital investments that will increase or lead to the adoption and integration of smart technologies and increased productivity and provide a positive economic impact in the State of Nebraska.
3. The definition of department is changed from the Department of Economic Development to the Department of Labor. The definition of grant is eliminated. The definition of manufacturing modernization investment project is expanded to also allow grant funds to be used on job training during the modernization process.
4. The application period is extended to November 1, 2026.
5. The grant amount to be awarded per applicant is capped at \$50,000 and the total amount of grant funds that can be awarded by the Department of Labor may not exceed \$250,000.
6. Original section 6 of the bill is struck which created the Manufacturing Modernization Pilot Investment Fund. The grant will no longer be funded by the creation of a new fund, but will rather be funded through the existing Workforce Development Program Cash Fund, Neb. Rev. Stat. § 81-407, which is added to the bill and amended for such purpose.
7. Original section 7 of the bill is struck, which stated the intent to appropriate XXXX annually from the General Fund to carry out the Act.



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Mike Jacobson, Chairperson

