

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1116**

Introduced by Wayne, 13.

Read first time January 19, 2022

Committee: Revenue

- 1 A BILL FOR AN ACT relating to the Business Innovation Act; to amend
- 2 sections 81-12,153 and 81-12,158, Revised Statutes Cumulative
- 3 Supplement, 2020; to define a term; to change provisions relating to
- 4 a financial assistance program for creating prototypes; and to
- 5 repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-12,153, Revised Statutes Cumulative  
2 Supplement, 2020, is amended to read:

3 81-12,153 For purposes of the Business Innovation Act:

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

5 (2) 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 (3) (2) Federal grant program means the federal Small Business  
15 Administration's Small Business Innovation Research grant program or  
16 Small Business Technology Transfer grant program;

17 (4) (3) Microenterprise means a for-profit business entity with not  
18 more than ten full-time equivalent employees;

19 (5) (4) Prototype means an original model on which something is  
20 patterned by a resident of Nebraska or a company located in Nebraska; and

21 (6) (5) Value-added agriculture means increasing the net worth of  
22 food or nonfood agricultural products by processing, alternative  
23 production and handling methods, collective marketing, or other  
24 innovative practices.

25 Sec. 2. Section 81-12,158, Revised Statutes Cumulative Supplement,  
26 2020, is amended to read:

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

1 university in Nebraska.

2 (2) Funds shall be matched by nonstate funds equivalent in money  
3 equal to:

4 (a) Twenty-five percent of the funds requested if the applicant is  
5 located in an economic redevelopment area within a city of the  
6 metropolitan class; or

7 (b) Fifty fifty percent of the funds requested for any other  
8 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 five ~~four~~ million dollars per  
22 year for financial assistance under this section.

23 Sec. 3. Original sections 81-12,153 and 81-12,158, Revised Statutes  
24 Cumulative Supplement, 2020, are repealed.