

LEGISLATURE OF NEBRASKA  
ONE HUNDRED EIGHTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1344**

Introduced by Wayne, 13.

Read first time January 17, 2024

Committee: Urban Affairs

1 A BILL FOR AN ACT relating to the Nebraska Innovation Hub Act; to amend  
2 sections 81-12,108 and 81-12,112, Revised Statutes Cumulative  
3 Supplement, 2022, and sections 81-12,109 and 81-12,110, Revised  
4 Statutes Supplement, 2023; to redefine terms; to change provisions  
5 relating to iHub applications, designations, and terminations as  
6 prescribed; to require a report to the Legislature; to harmonize  
7 provisions; and to repeal the original sections.  
8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-12,108, Revised Statutes Cumulative  
2 Supplement, 2022, is amended to read:

3 81-12,108 For purposes of the Nebraska Innovation Hub Act:

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

5 (2) Director means the Director of Economic Development;

6 (3) Economic redevelopment area means an area in the State of  
7 Nebraska in which:

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

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

15 (4) iHub area means the geographical area in this state in which an  
16 iHub will operate. An iHub area shall be located within:

17 (a) An economic redevelopment area; ~~or~~

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

20 (c) An inland port district as defined in section 13-3303;

21 (5) iHub partner means an entity described in section 81-12,111 that  
22 collaborates with an iHub for purposes of driving economic growth within  
23 an iHub area;

24 (6) Innovation hub or iHub means a private nonprofit corporation  
25 that is designated by the director as an iHub or an inland port authority  
26 created under the Municipal Inland Port Authority Act; and

27 (7) Postsecondary educational institution means a two-year or four-  
28 year college or university which is a member institution of an  
29 accrediting body recognized by the United States Department of Education.

30 Sec. 2. Section 81-12,109, Revised Statutes Supplement, 2023, is  
31 amended to read:

1           81-12,109 (1) The department shall designate innovation hubs within  
2 iHub areas to stimulate partnerships, economic development, and job  
3 creation by leveraging iHub partner assets to provide an innovation  
4 platform for startup businesses, economic development organizations,  
5 business groups, and venture capitalists. The iHub partner assets may  
6 include, but are not limited to, research parks, technology incubators,  
7 universities, and federal laboratories.

8           (2) The department shall designate no more than six ~~four~~ iHubs in  
9 the first congressional district, no more than four ~~three~~ iHubs in the  
10 second congressional district, and no more than six iHubs in the third  
11 congressional district.

12           (3) The department shall terminate any iHub designation for any iHub  
13 that has not fully implemented the memorandum of understanding entered  
14 into pursuant to section 81-12,110 within three years after such  
15 designation.

16           Sec. 3. Section 81-12,110, Revised Statutes Supplement, 2023, is  
17 amended to read:

18           81-12,110 (1) Except as provided in subsection (3) of this section,  
19 a private nonprofit corporation or an inland port authority created under  
20 the Municipal Inland Port Authority Act may apply to the director to  
21 become designated as an iHub. ~~Applications shall be submitted on or after~~  
22 ~~November 1, 2022, and before June 1, 2023.~~ The application shall include,  
23 but not be limited to, the following:

- 24           (a) A statement of purpose;
- 25           (b) A signed statement of cooperation and a description of the roles  
26 and relationships of each iHub partner;
- 27           (c) A clear explanation and map conveying the iHub area;
- 28           (d) A clearly identified central location for the iHub, which shall  
29 be a physical location;
- 30           (e) A complete budget, including a description of secured funds,  
31 pending funds, and potential future funding sources;

1 (f) A clearly articulated iHub management structure and plan, which  
2 may include a description of the capabilities, qualifications, and  
3 experience of the proposed management team, team leaders, or key  
4 personnel who are critical to achieving the proposed objectives;

5 (g) A list of iHub assets and resources;

6 (h) A clearly articulated industry focus area of the iHub, including  
7 industry sectors or other targeted areas for development and growth;

8 (i) A list of specific resources available to support and guide  
9 startup companies;

10 (j) A five-year plan, which shall include a clearly articulated list  
11 of goals to be achieved with the designation of the iHub;

12 (k) Defined performance standards agreed upon by the applicant and  
13 the proposed iHub partners, which may include expectations for job  
14 development and business creation;

15 (l) Evaluation procedures that will be used to measure the level of  
16 achievement for each stated goal;

17 (m) A plan for sustainability;

18 (n) Demonstrated experience with innovation programs, such as  
19 involvement with technology commercialization;

20 (o) Evidence of community engagement and support; and

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

24 (2) The department shall establish a weighted scoring system to  
25 evaluate applications for iHub designations with priority given to start-  
26 up nonprofits and inland port authorities expressing new and innovative  
27 ideas. Such weighted scoring system shall consider, at a minimum:

28 (a) Whether the iHub is committed to serving underrepresented  
29 communities in the proposed iHub area;

30 (b) Whether the iHub has a plan for marketing and outreach to  
31 underrepresented communities in the proposed iHub area;

1 (c) Whether the iHub has signed statements of cooperation with at  
2 least three proposed iHub partners; and

3 (d) The quality of the iHub's five-year plan.

4 (3) The director shall determine whether or not to approve the  
5 requested iHub designation within XX days after receiving the application  
6 ~~by no later than July 1, 2023~~. Each iHub designation shall be for a term  
7 of five years. An applicant that has received a grant under subdivision  
8 (4)(a) of section 81-12,241 shall not qualify for designation as an iHub.

9 (4) The iHub designation shall not be official until a memorandum of  
10 understanding is entered into by the applicant and the director. The  
11 memorandum of understanding shall include the goals and performance  
12 standards identified in the application and other related requirements as  
13 determined by the director.

14 (5) An iHub area may overlap with another iHub area if there is a  
15 clear distinction between the industry focus areas of the iHubs involved,  
16 except that no iHub located within a city of the metropolitan class shall  
17 be located within three miles of another iHub. This subsection does not  
18 apply to any inland port authority designated as an iHub.

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

21 (7) An iHub shall annually report to the director on its progress in  
22 meeting the goals and performance standards as described in the iHub  
23 application and the implementing memorandum of understanding with the  
24 director. A copy of the report shall also be submitted electronically to  
25 the chairperson of the Urban Affairs Committee of the Legislature. The  
26 report shall also include information regarding the number of businesses  
27 served, the number of jobs created, and the amount of funds raised by the  
28 iHub. The director shall annually post the information from these reports  
29 on the department's website and provide notice to the Governor and the  
30 Legislature that the information is available on the website.

31 Sec. 4. Section 81-12,112, Revised Statutes Cumulative Supplement,

1 2022, is amended to read:

2 81-12,112 Before an official designation as an iHub, the applicant  
3 shall self-certify that the iHub and its iHub partners are current in the  
4 payment of all state and local taxes owed, except that this section does  
5 not apply as to the payment of state and local taxes by an applicant that  
6 is exempt from such payment pursuant to section 13-3309.

7 Sec. 5. Original sections 81-12,108 and 81-12,112, Revised Statutes  
8 Cumulative Supplement, 2022, and sections 81-12,109 and 81-12,110,  
9 Revised Statutes Supplement, 2023, are repealed.