

## LEGISLATIVE BILL 345

Approved by the Governor May 24, 2011

Introduced by Conrad, 46; Hadley, 37; Mello, 5.

FOR AN ACT relating to economic development; to amend section 13-208, Reissue Revised Statutes of Nebraska; to adopt the Small Business Innovation Act; to reduce the tax credit limits under the Community Development Assistance Act as prescribed; to repeal the original section; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Sections 1 to 8 of this act shall be known and may be cited as the Small Business Innovation Act.

Sec. 2. It is the intent of the Legislature to evolve Nebraska's economic development and job creation policies in order to remain competitive by adopting recommendations from the statewide strategic plan developed by the Innovation and Entrepreneurship Task Force. The strategic plan recognizes that Nebraska's current policy tools targeted to fostering high-wage job growth among small businesses, entrepreneurs, and innovators have not kept pace with other states and jurisdictions. Nebraska has a clear opportunity to improve our entrepreneurial ecosystem by adopting proactive policy solutions with demonstrated positive results.

Sec. 3. For purposes of the Small Business Innovation Act:

(1) Department means the Department of Economic Development;

(2) Nebraska-based growth business means a corporation, partnership, limited liability company, limited partnership, or limited liability partnership registered with the Secretary of State that has five to fifty employees and annual sales revenue of no less than five hundred thousand dollars and no more than two million five hundred thousand dollars; and

(3) Small business innovation means the provision of technical resources to locally owned and operated Nebraska-based growth businesses to foster development, growth, and high-wage job creation.

Sec. 4. The department may enter into a contract with a Nebraska-based nonprofit entity, small business development center, community development corporation, Nebraska-based institution of higher education, chamber of commerce, or regional development district for the purpose of carrying out the Small Business Innovation Act.

Sec. 5. (1) The Legislature hereby establishes a statewide pilot program to support and assist up to forty Nebraska-based growth businesses. At least one-half of the businesses assisted under the Small Business Innovation Act shall be located in counties with a population of fewer than fifty thousand inhabitants.

(2) The pilot program shall provide technical assistance to Nebraska-based growth businesses that includes:

(a) Economic gardening components and information tools, including industry trends, industry financial data, state and national demographic trends, competitive intelligence, and marketing lists; and

(b) Decisionmaking tools, including strategy analysis, management team makeup, capital referrals, and labor referrals.

Sec. 6. It is the intent of the Legislature to appropriate two hundred thousand dollars from the General Fund for FY2011-12 and two hundred thousand dollars from the General Fund for FY2012-13 for the purpose of providing funding to carry out the Small Business Innovation Act.

Sec. 7. The department shall prepare and present a report to the Legislature by December 1, 2013, on the Small Business Innovation Act that includes, but is not limited to, businesses assisted, aggregate change in sales revenue, number of jobs created, and range of newly created jobs that includes an average wage.

Sec. 8. The Small Business Innovation Act terminates on December 31, 2013.

Sec. 9. Section 13-208, Reissue Revised Statutes of Nebraska, is amended to read:

13-208 The total amount of tax credit granted for programs approved and certified under the Community Development Assistance Act by the department for any fiscal year shall not exceed three hundred fifty thousand dollars, except that for fiscal years 2011-12 and 2012-13, the total amount of tax credit granted under this section shall be reduced by two hundred thousand dollars.

Sec. 10. Original section 13-208, Reissue Revised Statutes of Nebraska, is repealed.

Sec. 11. Since an emergency exists, this act takes effect when passed and approved according to law.