

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1010

Introduced by Janssen, 15.

Read first time January 21, 2014

Committee: Banking, Commerce and Insurance

A BILL

- 1 FOR AN ACT relating to economic development; to adopt the Nebraska
- 2 Enterprise Act; and to authorize the Governor to make
- 3 grants for economic development as prescribed.
- 4 Be it enacted by the people of the State of Nebraska,

1 Section 1. Sections 1 to 9 of this act shall be known and
2 may be cited as the Nebraska Enterprise Act.

3 Sec. 2. The purpose of the Nebraska Enterprise Act is to
4 provide the Governor with the ability to recruit and retain
5 businesses looking to locate or expand in Nebraska.

6 Sec. 3. (1) The Nebraska Enterprise Fund is created. The
7 fund shall only be used pursuant to the Nebraska Enterprise Act. Any
8 money in the fund available for investment shall be invested by the
9 state investment officer pursuant to the Nebraska Capital Expansion
10 Act and the Nebraska State Funds Investment Act.

11 (2) The fund shall consist of the following:

12 (a) Any amounts appropriated by the Legislature to the
13 fund for purposes of the act;

14 (b) Interest earned on the investment of money in the
15 fund; and

16 (c) Gifts, grants, and other donations received for the
17 fund.

18 (3) The fund may be used only for economic development,
19 infrastructure development, community development, job training
20 programs, and business incentives.

21 Sec. 4. (1) The Governor may negotiate, on behalf of the
22 state, the awarding of grants from the Nebraska Enterprise Fund.

23 (2) To be eligible to receive a grant under this section,
24 a grant applicant shall meet the following requirements:

25 (a) The grant applicant, if organized as a legal entity,

1 must be in good standing under the laws of the state in which the
2 entity was formed or organized, as evidenced by a certificate issued
3 by the secretary of state or the state official having custody of the
4 records pertaining to entities or other organizations formed under
5 the laws of that state; and

6 (b) The grant applicant must owe no delinquent taxes to a
7 taxing unit of this state.

8 (3) Before awarding a grant under this section, the
9 Governor shall enter into a written agreement with the grant
10 recipient which contains the following:

11 (a) Provisions requiring the creation of a minimum number
12 of jobs in this state;

13 (b) Provisions specifying the date by which the grant
14 recipient intends to create such jobs;

15 (c) A provision stating that if the grant recipient does
16 not meet job creation performance targets as of the dates specified
17 in the agreement, the grant recipient shall be subject to the
18 following:

19 (i) The grant recipient shall repay the grant and any
20 related interest to the state at the agreed rate and on the agreed
21 terms. Repayment shall be prorated to reflect a partial attainment of
22 job creation performance targets and may be prorated for a partial
23 attainment of other performance targets;

24 (ii) The Governor will not distribute to the grant
25 recipient any grant money that remains to be awarded under the

1 agreement; and

2 (iii) The Governor may assess specified penalties for
3 noncompliance against the grant recipient;

4 (d) A provision stating that if, as of a date certain
5 provided in the agreement, the grant recipient has not used grant
6 money awarded under this section for the purposes for which the grant
7 was intended, the grant recipient shall repay such amount and any
8 related interest to the state at the agreed rate and on the agreed
9 terms.

10 (4) The grant agreement may include a provision providing
11 that a reasonable percentage of the total amount of the grant will be
12 withheld until specified performance targets are met by the grant
13 recipient as of the date specified in subdivision (3)(b) of this
14 section.

15 (5) The Governor shall determine:

16 (a) The job creation performance targets and date
17 required to be contained in the grant agreement as provided in
18 subsection (3) of this section; and

19 (b) If the grant agreement includes the provision
20 authorized by subsection (4) of this section, the percentage of grant
21 money required to be withheld.

22 Sec. 5. (1) Before the Governor awards a grant under
23 section 4 of this act to a grant recipient, the Governor shall
24 prepare a statement that, specifically and in detail, assesses the
25 direct economic impact that approval of the grant will have on the

1 residents of this state.

2 (2) The statement shall include:

3 (a) For the period covered by the grant:

4 (i) The estimated number of jobs to be created in this
5 state by the grant recipient each biennium; and

6 (ii) The estimated median wage of the jobs to be created
7 in this state by the grant recipient each biennium;

8 (b) The additional amount of ad valorem taxes, sales and
9 use taxes, and fee revenue projected to be generated each year for
10 governmental entities of this state as a result of the grant;

11 (c) The total amount of tax credits, local incentives,
12 and other money or credits estimated to be distributed to the grant
13 recipient by governmental entities of this state; and

14 (d) Any other information the Governor considers
15 necessary to include in the statement.

16 Sec. 6. (1) To encourage the development and location of
17 small businesses in this state, the Governor shall give priority to
18 the following:

19 (a) Grants to small businesses in this state that commit
20 to using the grants to create additional jobs;

21 (b) Grants to small businesses from outside the state
22 that commit to relocate to this state; and

23 (c) Grants for projects that create one hundred or fewer
24 additional jobs.

25 (2) For purposes of this section, small business means a

1 corporation, partnership, limited liability company, sole
2 proprietorship, or other form of business entity that:

3 (a) Is formed for the purpose of making a profit;

4 (b) Is independently owned and operated; and

5 (c) Has fewer than one hundred employees.

6 Sec. 7. A grant agreement entered into under the Nebraska
7 Enterprise Act may be amended if such amendment is agreed to by the
8 Governor and the grant recipient.

9 Sec. 8. Each grant recipient shall submit to the Governor
10 an annual progress report containing the information compiled during
11 the previous calendar year regarding the attainment of each of the
12 performance targets specified in the agreement.

13 Sec. 9. (1) Before the beginning of each regular session
14 of the Legislature, the Governor shall submit electronically a report
15 to the Clerk of the Legislature on grants made under the Nebraska
16 Enterprise Act that states:

17 (a) The number of jobs each grant recipient committed to
18 create in this state;

19 (b) The number of jobs each grant recipient created in
20 this state;

21 (c) The median wage of the jobs each grant recipient
22 created in this state;

23 (d) The amount of capital investment each grant recipient
24 committed to expend or allocate per project in this state;

25 (e) The amount of capital investment each grant recipient

1 expended or allocated per project in this state;

2 (f) The total amount of grants made to each grant
3 recipient;

4 (g) The average amount of money granted in this state for
5 each job created in this state by grant recipients;

6 (h) The number of jobs created in this state by grant
7 recipients in each sector of the North American Industry
8 Classification System; and

9 (i) Of the number of jobs each grant recipient created in
10 this state, the number of positions created that provide health
11 benefits for employees.

12 (2) The report required under this section may not
13 include information that is made confidential by law.

14 (3) The Governor may require a grant recipient to submit,
15 on a form the Governor provides, information required to complete the
16 report.