

AMENDMENTS TO LB 1190

1           1. Strike the original sections and insert the following  
2 new sections:

3           "Section 1. This act shall be known and may be cited as  
4 the Hometown Entrepreneur Scholarship Act.

5           Sec. 2. The purpose of the Hometown Entrepreneur  
6 Scholarship Act is to encourage the creation of new small business  
7 enterprises in cities of the second class and villages in Nebraska  
8 by providing funds to microenterprise entrepreneurs through loans  
9 from such cities and villages combined with matching funds from the  
10 State of Nebraska.

11          Sec. 3. For purposes of the Hometown Entrepreneur  
12 Scholarship Act:

13           (1) Entrepreneur means any person or group of persons who  
14 intend to create a microenterprise qualifying to participate in an  
15 economic development program developed by a city of the second  
16 class or village;

17           (2) Loan program means economic development programs as  
18 defined and authorized pursuant to the Local Option Municipal  
19 Economic Development Act and which programs shall be developed,  
20 approved, adopted, and administered as economic development  
21 programs subject to the Local Option Municipal Economic Development  
22 Act; and

23           (3) Microenterprise means any business entity with no  
24 more than five employees including, but not limited to, new startup

1 businesses, home-based businesses, and sole proprietorships.

2           Sec. 4.     Cities of the second class and villages may  
3 adopt economic development programs providing loan assistance to  
4 microenterprises located or locating within such cities or villages  
5 or their extraterritorial zoning jurisdictions.     Such loan  
6 assistance shall take the form of low-interest or no-interest loans  
7 to microenterprises which create one or more new jobs during the  
8 five-year term of such loans in return for the granting of such  
9 loans.

10           (2) The applying microenterprise shall develop and file  
11 with the city of the second class or village an application for  
12 such loan including a business plan of the microenterprise.     The  
13 application and business plan shall be in conformity with criteria  
14 developed by the Department of Economic Development.

15           (3) Loans shall be in an amount determined by the city of  
16 the second class or village creating the economic development  
17 program and shall be granted to the entrepreneur following approval  
18 of the application and business plan by the governing body of the  
19 city or village.

20           (4) Following such approval, the entrepreneur may apply  
21 to receive matching funds of not more than three thousand dollars  
22 per year for up to five years from the State of Nebraska.     Such  
23 application shall be made by the granting city or village on behalf  
24 of the entrepreneur and matching funds shall be paid to and  
25 administered by the city or village to the entrepreneur.     Funds  
26 received from the State of Nebraska pursuant to the Hometown  
27 Entrepreneur Scholarship Act shall form no part of the economic

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1 development program of the city or village and shall not be  
2 commingled with any funds of the city or village devoted to such  
3 economic development program.

4 (5) Loans approved for entrepreneurs under economic  
5 development programs authorized by the act shall be repaid within a  
6 period of not more than five years following the date of final  
7 disbursement of all approved loan funds to the entrepreneur.

8 (6) A microenterprise in existence prior to the approval  
9 of the application and business plan as provided in this section  
10 shall not qualify for a loan as set forth in the act.

11 Sec. 5. The Hometown Entrepreneur Scholarship Fund is  
12 created. The fund shall be used to provide the funds authorized by  
13 subsection (4) of section 4 of this act to entrepreneurs who have  
14 obtained loans from cities or villages conducting economic  
15 development programs authorized by the act. The Department of  
16 Economic Development shall administer the fund. Any money in the  
17 fund available for investment shall be invested by the state  
18 investment officer pursuant to the Nebraska Capital Expansion Act  
19 and the Nebraska State Funds Investment Act.

20 Sec. 6. The Department of Economic Development shall  
21 adopt and promulgate rules and regulations to carry out the  
22 Hometown Entrepreneur Scholarship Act."