

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 641**

Introduced by Morfeld, 46.

Read first time January 18, 2017

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to economic development; to amend section  
2 81-12,154, Reissue Revised Statutes of Nebraska, and section  
3 81-12,163, Revised Statutes Cumulative Supplement, 2016; to provide  
4 for a Bioscience Innovation Program; to provide duties for the  
5 Director of Economic Development; to create a fund; to prohibit  
6 certain appropriations and transfers as prescribed; 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. (1) The Bioscience Innovation Cash Fund is created. The  
2 fund shall be administered by the Department of Economic Development to  
3 provide financial assistance to bioscience-related businesses applying  
4 for financial assistance under the Business Innovation Act. Any money in  
5 the fund available for investment shall be invested by the state  
6 investment officer pursuant to the Nebraska Capital Expansion Act and the  
7 Nebraska State Funds Investment Act.

8           (2) The State Treasurer shall credit to the fund such money as is  
9 (a) transferred to the fund by the Legislature, (b) paid to the state as  
10 fees, deposits, payments, and repayments relating to the fund, both  
11 principal and interest, (c) donated as gifts, bequests, or other  
12 contributions to such fund from public or private entities, and (d) made  
13 available by any department or agency of the United States if so directed  
14 by such department or agency.

15           (3) Money in the fund shall be expended by the department as  
16 provided in section 81-12,163 for the purpose of carrying out the  
17 Bioscience Innovation Program.

18           (4) Up to five percent of the fund may be used by the department for  
19 administrative expenses.

20           Sec. 2. The Legislature shall not appropriate or transfer money to  
21 carry out the Business Innovation Act for any purpose other than the  
22 purposes stated in sections 81-12,152 to 81-12,167, except that the  
23 Legislature may appropriate or transfer money appropriated for purposes  
24 of the act upon a finding that such are not being accomplished by the  
25 Department of Economic Development. Any reappropriated funding for the  
26 Business Innovation Act shall be credited to the Bioscience Innovation  
27 Cash Fund on July 1 of each year.

28           Sec. 3. (1) The Department of Economic Development shall establish  
29 a Bioscience Innovation Program under the Business Innovation Act. The  
30 purpose of this program is to provide financial assistance to:

31           (a) Support small enterprise formation in the bioscience sector of

1 Nebraska's rural and urban economies;

2 (b) Support the development of bioscience communities and economic  
3 opportunity through innovation in biofuels, biosensors, and biotechnology  
4 as it relates to animals, equipment, humans, industry, research, medical  
5 and health information, medical and health products, medical and health  
6 services, medical diagnostics, medical therapeutics, and pharmaceuticals;

7 (c) Enhance the creation of high-wage bioscience jobs to employ  
8 graduates of postsecondary educational institutions in Nebraska and to  
9 attract graduate students from other states;

10 (d) Encourage the development of new technologies in the bioscience  
11 sector and the creation of new startup businesses focused on bioscience;

12 (e) Leverage the state's agricultural sector to support the  
13 development of emerging bioscience technologies impacting livestock  
14 operations and crop production; and

15 (f) Leverage the bioscience research and development conducted at  
16 postsecondary educational institutions in Nebraska to create private-  
17 sector bioscience enterprises.

18 (2) Private bioscience businesses and enterprises operating in  
19 Nebraska shall be eligible for financial assistance as described in  
20 sections 81-12,157, 81-12,158, 81-12,160, and 81-12,161. A bioscience  
21 business or enterprise receiving financial assistance pursuant to any of  
22 such sections shall provide a match of one hundred percent for such  
23 assistance.

24 (3) The department may award up to two million dollars per year for  
25 financial assistance from the Bioscience Innovation Cash Fund as provided  
26 in section 81-12,163.

27 Sec. 4. Section 81-12,154, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 81-12,154 The purpose of the Business Innovation Act is to encourage  
30 and support the transfer of Nebraska-based technology and innovation in  
31 rural and urban areas of Nebraska in order to create high growth, high

1 technological companies, small businesses, and microenterprises and to  
2 enhance creation of wealth and quality jobs. The Legislature finds that  
3 the act will:

4 (1) Provide technical assistance planning grants pursuant to section  
5 81-12,157 to facilitate phase one applications for the federal grant  
6 program;

7 (2) Provide financial assistance pursuant to section 81-12,157 to  
8 companies receiving phase one and phase two grants pursuant to the  
9 federal grant program;

10 (3) Provide financial assistance pursuant to section 81-12,158 to  
11 companies or individuals creating prototypes;

12 (4) Establish a financial assistance program pursuant to section  
13 81-12,159 for innovation in value-added agriculture;

14 (5) Establish a financial assistance program pursuant to the  
15 Bioscience Innovation Act for innovation in biosciences;

16 ~~(6) (5)~~ Establish a financial assistance program pursuant to section  
17 81-12,160 to identify commercial products and processes;

18 ~~(7) (6)~~ Provide financial assistance pursuant to section 81-12,161  
19 to companies using Nebraska public or private college and university  
20 researchers and facilities for applied research projects;

21 ~~(8) (7)~~ Provide support and funding pursuant to section 81-12,162  
22 for microlending and microenterprise entities; and

23 ~~(9) (8)~~ Provide support for locally owned and operated Nebraska-  
24 based, high growth businesses by providing technical resources to foster  
25 development, growth, and high wage creation. For purposes of this  
26 subdivision, Nebraska-based, high growth business means a corporation,  
27 partnership, limited liability company, limited partnership, or limited  
28 liability partnership registered with the Secretary of State that has two  
29 to fifty employees and has annual sales of no less than five hundred  
30 thousand dollars and no more than two million five hundred thousand  
31 dollars.

1           Sec. 5. Section 81-12,163, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3           81-12,163   (1)(a) ~~(1)~~ It is the intent of the Legislature to  
4 appropriate seven million dollars from the General Fund to the department  
5 for the Business Innovation Act for each of fiscal years 2015-16 and  
6 2016-17.

7           (b) It is the intent of the Legislature to appropriate two million  
8 dollars from the Bioscience Innovation Cash Fund to the department for  
9 the Business Innovation Act for each of fiscal years 2017-18 and 2018-19.

10           (2) Up to five percent of the funds appropriated may be used by the  
11 department, or by a nonprofit entity with which the department contracts,  
12 for administrative expenses.

13           Sec. 6. Original section 81-12,154, Reissue Revised Statutes of  
14 Nebraska, and section 81-12,163, Revised Statutes Cumulative Supplement,  
15 2016, are repealed.