

**ONE HUNDRED SEVENTH LEGISLATURE - SECOND SESSION - 2022**  
**COMMITTEE STATEMENT**  
**LB1116**

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**Hearing Date:** Thursday February 10, 2022  
**Committee On:** Revenue  
**Introducer:** Wayne  
**One Liner:** Change provisions of the Business Innovation Act relating to a financial assistance program for creating prototypes

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File with amendment(s)

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**Vote Results:**

**Aye:** 8 Senators Albrecht, Bostar, Briese, Flood, Friesen, Lindstrom, Linehan, Pahls  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Oral Testimony:**

**Proponents:**

Senator Justin Wayne  
David Sievers  
Stephanie Luebbe  
Scott Henderson

**Representing:**

Introducer  
Self  
Nebraska Angels, Invest Nebraska  
NMotion, Generator

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB1116 makes changes to the Business Innovation Act.

First, the bill adds a definition of "economic redevelopment area" which is anywhere in the state where the average rate of unemployment over a 5-year census data average is at least 150% of the average rate of unemployment in the state over the same time period.

The average poverty rate in such an area must also be 20% or more of the federal census tract in the area.

Under current law, businesses that qualify for funding under the Act must also obtain matching nonstate funds equal to 50% of the state funds requested. LB1116 would reduce the matching amount to 25% for businesses in an economic redevelopment area.

Finally, it would allow the Department of Economic Development to award \$5 million per year rather than \$4 million per year.

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**Explanation of amendments:**

The amendment changes the requirements for applicants to require that their principal residence or principal place of business be located in an economic redevelopment area rather than just being located in such an area.

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Lou Ann Linehan, Chairperson