

LEGISLATURE OF NEBRASKA
ONE HUNDRED SIXTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 334

FINAL READING

Introduced by Stinner, 48.

Read first time January 16, 2019

Committee: Appropriations

1 A BILL FOR AN ACT relating to economic development; to amend sections
2 13-1901 and 77-6306, Reissue Revised Statutes of Nebraska, and
3 sections 13-1907, 13-2103, 13-2112, 50-1209, 81-829.42, 81-12,152,
4 81-12,163, and 81-12,166, Revised Statutes Cumulative Supplement,
5 2018; to change provisions relating to Nebraska planning and
6 development regions; to change and eliminate provisions relating to
7 rules and regulations of the Department of Economic Development; to
8 reduce and eliminate the granting of tax credits under the Angel
9 Investment Tax Credit Act as prescribed; to eliminate a termination
10 date, state appropriation intent language, require evaluations of
11 programs, provide intent for an appropriation to the Governor's
12 Emergency Program, and provide a duty for the Appropriations
13 Committee of the Legislature under the Business Innovation Act; to
14 harmonize provisions; to repeal the original sections; and to
15 outright repeal section 81-12,167, Reissue Revised Statutes of
16 Nebraska.

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

1 Section 1. Section 13-1901, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 13-1901 (1) There are hereby created nine Nebraska planning and
4 development regions as follows:

5 (a) ~~(1)~~ Region 1 includes the counties of Sioux, Dawes, Sheridan,
6 Box Butte, Scotts Bluff, Morrill, Garden, Banner, Kimball, Cheyenne, and
7 Deuel;

8 (b) ~~(2)~~ Region 2 includes the counties of Cherry, Keya Paha, Boyd,
9 Brown, Rock, Holt, Blaine, Loup, Garfield, Wheeler, Custer, Valley,
10 Greeley, and Sherman;

11 (c) ~~(3)~~ Region 3 includes the counties of Grant, Hooker, Thomas,
12 Arthur, McPherson, Logan, Keith, Lincoln, Perkins, Dawson, Chase, Hayes,
13 Frontier, Gosper, Dundy, Hitchcock, Red Willow, and Furnas;

14 (d) ~~(4)~~ Region 4 includes the counties of Howard, Merrick, Buffalo,
15 Hall, Hamilton, Phelps, Kearney, Adams, Clay, Harlan, Franklin, Webster,
16 and Nuckolls;

17 (e) ~~(5)~~ Region 5 includes the counties of Knox, Cedar, Dixon,
18 Antelope, Pierce, Wayne, Thurston, Boone, Madison, Stanton, Cuming, Burt,
19 Platte, Colfax, Dodge, and Nance;

20 (f) ~~(6)~~ Region 6 includes the counties of Polk, Butler, Saunders,
21 York, Seward, ~~Cass~~, Fillmore, Saline, Otoe, Thayer, Jefferson, Gage,
22 Johnson, Nemaha, Pawnee, and Richardson;

23 (g) ~~(7)~~ Region 7 includes the county of Lancaster;

24 (h) ~~(8)~~ Region 8 includes the counties of Washington, Douglas, and
25 Sarpy, and ~~Cass~~; and

26 (i) ~~(9)~~ Region 9 includes the county of Dakota.

27 (2) In order to facilitate development of a process which will allow
28 for future changes to the boundaries of the Nebraska planning and
29 development regions, until July 1, 2020, a county, city, village, or
30 development district shall not engage in negotiations to change the
31 boundaries of the planning and development regions. This subsection does

1 not prohibit negotiations relating to implementation of the changes to
2 the boundaries made by this legislative bill.

3 Sec. 2. Section 13-1907, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 13-1907 (1) The Department of Economic Development ~~may shall~~ adopt
6 and promulgate rules and regulations to carry out sections 13-1901 to
7 13-1907, ~~including which shall include~~ standardized reporting and
8 application procedures. Each development district shall submit annual
9 performance and financial reports to the department which shall address
10 the activities performed and services delivered.

11 (2) The Governor shall, from time to time, evaluate the
12 effectiveness and activities of the development districts receiving
13 assistance. If the Governor finds a development district to be
14 ineffective, he or she may take action, including the withholding of
15 assistance authorized under section 13-1906.

16 Sec. 3. Section 13-2103, Revised Statutes Cumulative Supplement,
17 2018, is amended to read:

18 13-2103 (1)(a) Beginning on December 1, 2014 ~~the date the rules and~~
19 ~~regulations updated in accordance with section 13-2112 become effective~~
20 ~~as provided in section 84-908~~, the department shall, for a period of one
21 hundred eighty days, accept formal applications for the designation of
22 enterprise zones. Within sixty days after the end of such application
23 period, the department may designate not more than five areas as
24 enterprise zones based on eligible applications it has received.

25 (b) If the department has received fewer than five applications for
26 the designation of enterprise zones after the end of the application
27 period described in subdivision (1)(a) of this section, the department
28 may establish a period of time within which to accept additional
29 applications. Within sixty days after the end of such extended
30 application period, the department may designate additional areas as
31 enterprise zones based on additional eligible applications received, but

1 not more than a total of five areas may be designated as enterprise zones
2 pursuant to this section.

3 (c) In the application period, the department may reject from
4 consideration any application which does not fully and completely comport
5 with the provisions of section 13-2104 at the end of the designated
6 application period. In choosing among eligible applications for
7 enterprise zone designation, the department shall consider the levels of
8 distress existing within the applicant areas and the contents of the
9 applicant's formal enterprise zone application.

10 (d) Each area designated as an enterprise zone shall meet all
11 eligibility criteria. Of the enterprise zones authorized, no more than
12 one shall be located inside the boundaries of a city of the metropolitan
13 class and no more than one inside a city of the primary class.

14 (2) Any city, village, tribal government area, or county may apply
15 for designation of an area within such city, village, tribal government
16 area, or county as an enterprise zone, except that if a county seeks to
17 have an area within an incorporated city or village or a tribal
18 government area designated as an enterprise zone, the consent of the
19 governing body of such city, village, or tribal government area shall
20 first be required.

21 (3) If an incorporated city or village or a tribal government area
22 consents, a county may apply on behalf of the city, village, or tribal
23 government area for certification of an area within such city, village,
24 or tribal government area as an enterprise zone. Both a county and a
25 city, village, or tribal government area shall not apply for
26 certification of the same area.

27 (4) Two or more counties or tribal government areas may jointly
28 apply for designation of an area as an enterprise zone which is located
29 on both sides of their common boundaries.

30 (5) Political subdivisions wishing to file an application for
31 designation of an enterprise zone shall first follow the procedures set

1 out in sections 13-2106 to 13-2108. An application for designation as an
2 enterprise zone shall be in a form and contain information prescribed by
3 the department pursuant to section 13-2104.

4 (6) An area designated as an enterprise zone shall retain such
5 designation for a period of ten years from the date of such designation.

6 (7) All enterprise zones designated as such within a single county
7 shall not exceed a total of sixteen square miles in area.

8 Sec. 4. Section 13-2112, Revised Statutes Cumulative Supplement,
9 2018, is amended to read:

10 13-2112 The department ~~may shall~~ adopt and promulgate rules and
11 regulations to carry out the Enterprise Zone Act. ~~The department shall~~
12 ~~update such rules and regulations within six months after July 18, 2014.~~

13 Sec. 5. Section 50-1209, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 50-1209 (1) Tax incentive performance audits shall be conducted by
16 the office pursuant to this section on the following tax incentive
17 programs:

- 18 ~~(a) The Angel Investment Tax Credit Act;~~
- 19 ~~(a) (b) The Beginning Farmer Tax Credit Act;~~
- 20 ~~(b) (c) The Nebraska Advantage Act;~~
- 21 ~~(c) (d) The Nebraska Advantage Microenterprise Tax Credit Act;~~
- 22 ~~(d) (e) The Nebraska Advantage Research and Development Act;~~
- 23 ~~(e) (f) The Nebraska Advantage Rural Development Act;~~
- 24 ~~(f) (g) The Nebraska Job Creation and Mainstreet Revitalization Act;~~
- 25 ~~(g) (h) The New Markets Job Growth Investment Act; and~~
- 26 ~~(h) (i) Any other tax incentive program created by the Legislature~~
27 ~~for the purpose of recruitment or retention of businesses in Nebraska. In~~
28 ~~determining whether a future tax incentive program is enacted for the~~
29 ~~purpose of recruitment or retention of businesses, the office shall~~
30 ~~consider legislative intent, including legislative statements of purpose~~
31 ~~and goals, and may also consider whether the tax incentive program is~~

1 promoted as a business incentive by the Department of Economic
2 Development or other relevant state agency.

3 (2) The office shall develop a schedule for conducting tax incentive
4 performance audits and shall update the schedule annually. The schedule
5 shall ensure that each tax incentive program is reviewed at least once
6 every five years.

7 (3) Each tax incentive performance audit conducted by the office
8 pursuant to this section shall include the following:

9 (a) An analysis of whether the tax incentive program is meeting the
10 following goals:

11 (i) Strengthening the state's economy overall by:

12 (A) Attracting new business to the state;

13 (B) Expanding existing businesses;

14 (C) Increasing employment, particularly employment of full-time
15 workers. The analysis shall consider whether the job growth in those
16 businesses receiving tax incentives is at least ten percent above
17 industry averages;

18 (D) Creating high-quality jobs; and

19 (E) Increasing business investment;

20 (ii) Revitalizing rural areas and other distressed areas of the
21 state;

22 (iii) Diversifying the state's economy and positioning Nebraska for
23 the future by stimulating entrepreneurial firms, high-tech firms, and
24 renewable energy firms; and

25 (iv) Any other program-specific goals found in the statutes for the
26 tax incentive program being evaluated;

27 (b) An analysis of the economic and fiscal impacts of the tax
28 incentive program. The analysis may take into account the following
29 considerations in addition to other relevant factors:

30 (i) The costs per full-time worker. When practical and applicable,
31 such costs shall be considered in at least the following two ways:

1 (A) By an estimation including the minimum investment required to
2 qualify for benefits; and

3 (B) By an estimation including all investment;

4 (ii) The extent to which the tax incentive changes business
5 behavior;

6 (iii) The results of the tax incentive for the economy of Nebraska
7 as a whole. This consideration includes both direct and indirect impacts
8 generally and any effects on other Nebraska businesses; and

9 (iv) A comparison to the results of other economic development
10 strategies with similar goals, other policies, or other incentives;

11 (c) An assessment of whether adequate protections are in place to
12 ensure the fiscal impact of the tax incentive does not increase
13 substantially beyond the state's expectations in future years;

14 (d) An assessment of the fiscal impact of the tax incentive on the
15 budgets of local governments, if applicable; and

16 (e) Recommendations for any changes to statutes or rules and
17 regulations that would allow the tax incentive program to be more easily
18 evaluated in the future, including changes to data collection, reporting,
19 sharing of information, and clarification of goals.

20 (4) For purposes of this section:

21 (a) Distressed area means an area of substantial unemployment as
22 determined by the Department of Labor pursuant to the Nebraska Workforce
23 Innovation and Opportunity Act;

24 (b) Full-time worker means an individual (i) who usually works
25 thirty-five hours per week or more, (ii) whose employment is reported to
26 the Department of Labor on two consecutive quarterly wage reports, and
27 (iii) who earns wages equal to or exceeding the state minimum wage;

28 (c) High-quality job means a job that:

29 (i) Averages at least thirty-five hours of employment per week;

30 (ii) Is reported to the Department of Labor on two consecutive
31 quarterly wage reports; and

1 (iii) Earns wages that are at least ten percent higher than the
2 statewide industry sector average and that equal or exceed:

3 (A) One hundred ten percent of the Nebraska average weekly wage if
4 the job is in a county with a population of less than one hundred
5 thousand inhabitants; or

6 (B) One hundred twenty percent of the Nebraska average weekly wage
7 if the job is in a county with a population of one hundred thousand
8 inhabitants or more;

9 (d) High-tech firm means a person or unitary group that has a
10 location with any of the following four-digit code designations under the
11 North American Industry Classification System as assigned by the
12 Department of Labor: 2111, 3254, 3341, 3342, 3344, 3345, 3364, 5112,
13 5173, 5179, 5182, 5191, 5413, 5415, or 5417;

14 (e) Nebraska average weekly wage means the most recent average
15 weekly wage paid by all employers in all counties in Nebraska as reported
16 by the Department of Labor by October 1 of each year;

17 (f) New business means a person or unitary group participating in a
18 tax incentive program that did not pay income taxes or wages in the state
19 more than two years prior to submitting an application under the tax
20 incentive program. For any tax incentive program without an application
21 process, new business means a person or unitary group participating in
22 the program that did not pay income taxes or wages in the state more than
23 two years prior to the first day of the first tax year for which a tax
24 benefit was earned;

25 (g) Renewable energy firm means a person or unitary group that has a
26 location with any of the following six-digit code designations under the
27 North American Industry Classification System as assigned by the
28 Department of Labor: 111110, 111120, 111130, 111140, 111150, 111160,
29 111191, 111199, 111211, 111219, 111310, 111320, 111331, 111332, 111333,
30 111334, 111335, 111336, 111339, 111411, 111419, 111930, 111991, 113310,
31 221111, 221114, 221115, 221116, 221117, 221118, 221330, 237130, 237210,

1 237990, 325193, 325199, 331512, 331513, 331523, 331524, 331529, 332111,
2 332112, 333414, 333415, 333511, 333611, 333612, 333613, 334519, 485510,
3 541330, 541360, 541370, 541620, 541690, 541713, 541714, 541715, 561730,
4 or 562213;

5 (h) Rural area means any village or city of the second class in this
6 state or any county in this state with fewer than twenty-five thousand
7 residents; and

8 (i) Unitary group has the same meaning as in section 77-2734.04.

9 Sec. 6. Section 77-6306, Reissue Revised Statutes of Nebraska, is
10 amended to read:

11 77-6306 (1) A qualified investor or qualified fund is eligible for a
12 refundable tax credit equal to forty percent of its qualified investment
13 in a qualified small business. The director shall not allocate more than
14 four million dollars in tax credits to all qualified investors or
15 qualified funds in a calendar year, except that for calendar year 2019,
16 the director shall not allocate more than three million nine hundred
17 thousand dollars in tax credits in such calendar year. If the director
18 does not allocate the entire amount of tax credits authorized for four
19 million dollars of tax credits in a calendar year, the tax credits that
20 are not allocated shall not carry forward to subsequent years. The
21 director shall not allocate any amount for tax credits for calendar years
22 after 2019 2022.

23 (2) The director shall not allocate more than a total maximum amount
24 in tax credits for a calendar year to a qualified investor for the
25 investor's cumulative qualified investments as an individual qualified
26 investor and as an investor in a qualified fund as provided in this
27 subsection. For married couples filing joint returns the maximum is three
28 hundred fifty thousand dollars, and for all other filers the maximum is
29 three hundred thousand dollars. The director shall not allocate more than
30 a total of one million dollars in tax credits for qualified investments
31 in any one qualified small business.

1 (3) The director shall not allocate a tax credit to a qualified
2 investor either as an individual qualified investor or as an investor in
3 a qualified fund if the investor receives more than forty-nine percent of
4 the investor's gross annual income from the qualified small business in
5 which the qualified investment is proposed. A family member of an
6 individual disqualified by this subsection is not eligible for a tax
7 credit under this section. For a married couple filing a joint return,
8 the limitations in this subsection apply collectively to the investor and
9 spouse. For purposes of determining the ownership interest of an investor
10 under this subsection, the rules under section 267(c) and (e) of the
11 Internal Revenue Code of 1986, as amended, apply.

12 (4) Tax credits shall be allocated to qualified investors or
13 qualified funds in the order that the tax credit applications are filed
14 with the director. Once tax credits have been approved and allocated by
15 the director, the qualified investors and qualified funds shall implement
16 the qualified investment specified within ninety days after allocation of
17 the tax credits. Qualified investors and qualified funds shall notify the
18 director no later than thirty days after the expiration of the ninety-day
19 period that the qualified investment has been made. If the qualified
20 investment is not made within ninety days after allocation of the tax
21 credits, or the director has not, within thirty days following expiration
22 of the ninety-day period, received notification that the qualified
23 investment was made, the tax credit allocation is canceled and available
24 for reallocation. A qualified investor or qualified fund that fails to
25 invest as specified in the application within ninety days after
26 allocation of the tax credits shall notify the director of the failure to
27 invest within five business days after the expiration of the ninety-day
28 investment period.

29 (5) All tax credit applications filed with the director on the same
30 day shall be treated as having been filed contemporaneously. If two or
31 more qualified investors or qualified funds file tax credit applications

1 on the same day and the aggregate amount of tax credit allocation
2 requests exceeds the aggregate limit of tax credits under this section or
3 the lesser amount of tax credits that remain unallocated on that day,
4 then the tax credits shall be allocated among the qualified investors or
5 qualified funds who filed on that day on a pro rata basis with respect to
6 the amounts requested. The pro rata allocation for any one qualified
7 investor or qualified fund shall be the product obtained by multiplying a
8 fraction, the numerator of which is the amount of the tax credit
9 allocation request filed on behalf of a qualified investor or qualified
10 fund and the denominator of which is the total of all tax credit
11 allocation requests filed on behalf of all applicants on that day, by the
12 amount of tax credits that remain unallocated on that day for the taxable
13 year.

14 (6) A qualified investor or qualified fund, or a qualified small
15 business acting on behalf of the investor or fund, shall notify the
16 director when an investment for which tax credits were allocated has been
17 made and shall furnish the director with documentation of the investment
18 date. A qualified fund shall also provide the director with a statement
19 indicating the amount invested by each investor in the qualified fund
20 based on each investor's share of the assets of the qualified fund at the
21 time of the qualified investment. After receiving notification that the
22 qualified investment was made, the director shall issue tax credit
23 certificates for the taxable year in which the qualified investment was
24 made to the qualified investor or, for a qualified investment made by a
25 qualified fund, to each qualified investor who is an investor in the
26 fund. The certificate shall state that the tax credit is subject to
27 revocation if the qualified investor or qualified fund does not hold the
28 investment in the qualified small business for at least three years,
29 consisting of the calendar year in which the investment was made and the
30 two following calendar years. The three-year holding period does not
31 apply if:

1 (a) The qualified investment by the qualified investor or qualified
2 fund becomes worthless before the end of the three-year period;

3 (b) Eighty percent or more of the assets of the qualified small
4 business are sold before the end of the three-year period;

5 (c) The qualified small business is sold or merges with another
6 business before the end of the three-year period;

7 (d) The qualified small business's common stock begins trading on a
8 public exchange before the end of the three-year period; or

9 (e) In the case of an individual qualified investor, such investor
10 becomes deceased before the end of the three-year period.

11 (7) The director shall notify the Tax Commissioner that tax credit
12 certificates have been issued, including the amount of tax credits and
13 all other pertinent tax information.

14 Sec. 7. Section 81-829.42, Revised Statutes Cumulative Supplement,
15 2018, is amended to read:

16 81-829.42 (1) The Legislature recognizes that, while appropriations
17 are adequate to meet the normal needs, the necessity exists for
18 anticipating and making advance provision to care for the unusual and
19 extraordinary burdens imposed on the state and its political subdivisions
20 by disasters, emergencies, or civil defense emergencies. To meet such
21 situations, it is the intention of the Legislature to confer emergency
22 powers on the Governor, acting through the Adjutant General and the
23 Nebraska Emergency Management Agency, and to vest him or her with
24 adequate power and authority within the limitation of available funds
25 appropriated to the Governor's Emergency Program to meet any disaster,
26 emergency, or civil defense emergency.

27 (2) There is hereby established the Governor's Emergency Program.
28 Funds appropriated to the program shall be expended, upon direction of
29 the Governor, for any state of emergency. The state of emergency
30 proclamation shall set forth the emergency and shall state that it
31 requires the expenditure of public funds to furnish immediate aid and

1 relief. The Adjutant General shall administer the funds appropriated to
2 the program.

3 (3) It is the intent of the Legislature that the first recourse
4 shall be to funds regularly appropriated to state and local agencies. If
5 the Governor finds that the demands placed upon these funds are
6 unreasonably great, he or she may make funds available from the
7 Governor's Emergency Program. Expenditures may be made upon the direction
8 of the Governor for any or all emergency management functions or to meet
9 the intent of the state emergency operations plans as outlined in section
10 81-829.41. Expenditures may also be made to state and federal agencies to
11 meet the matching requirement of any applicable assistance programs.

12 (4) Assistance shall be provided from the funds appropriated to the
13 Governor's Emergency Program to political subdivisions of this state
14 which have suffered from a disaster, emergency, or civil defense
15 emergency to such an extent as to impose a severe financial burden
16 exceeding the ordinary capacity of the subdivision affected. Applications
17 for aid under this section shall be made to the Nebraska Emergency
18 Management Agency on such forms as shall be prescribed and furnished by
19 the agency. The forms shall require the furnishing of sufficient
20 information to determine eligibility for aid and the extent of the
21 financial burden incurred. The agency may call upon other agencies of the
22 state in evaluating such applications. The Adjutant General shall review
23 each application for aid under this section and recommend its approval or
24 disapproval, in whole or in part, to the Governor. If the Governor
25 approves, he or she shall determine and certify to the Adjutant General
26 the amount of aid to be furnished. The Adjutant General shall thereupon
27 issue his or her voucher to the Director of Administrative Services who
28 shall issue his or her warrants therefor to the applicant.

29 (5) When a state of emergency has been proclaimed by the Governor,
30 the Adjutant General, upon order of the Governor, shall have authority to
31 expend funds for purposes including, but not limited to:

1 (a) The purposes of the Emergency Management Act, including
2 emergency management functions and the responsibilities of the Governor
3 as outlined in the act;

4 (b) Employing for the duration of the state of emergency additional
5 personnel and contracting or otherwise procuring all necessary
6 appliances, supplies, and equipment;

7 (c) Performing services for and furnishing materials and supplies to
8 state government agencies and local governments with respect to
9 performance of any duties enjoined by law upon such agencies and local
10 governments which they are unable to perform because of extreme climatic
11 phenomena and receiving reimbursement in whole or in part from such
12 agencies and local governments able to pay therefor under such terms and
13 conditions as may be agreed upon by the Adjutant General and any such
14 agency or local government;

15 (d) Performing services for and furnishing materials to any
16 individual in connection with alleviating hardship and distress growing
17 out of extreme climatic phenomena and receiving reimbursement in whole or
18 in part from such individual under such terms as may be agreed upon by
19 the Adjutant General and such individual;

20 (e) Opening up, repairing, and restoring roads and highways;

21 (f) Repairing and restoring bridges;

22 (g) Furnishing transportation for supplies to alleviate suffering
23 and distress;

24 (h) Restoring means of communication;

25 (i) Furnishing medical services and supplies to prevent the spread
26 of disease and epidemics;

27 (j) Quelling riots and civil disturbances;

28 (k) Training individuals or governmental agencies for the purpose of
29 perfecting the performance of emergency management duties as provided in
30 the Nebraska emergency operations plans;

31 (l) Procurement and storage of special emergency supplies or

1 equipment, determined by the Adjutant General to be required to provide
2 rapid response by state government to assist local governments in
3 impending or actual disasters, emergencies, or civil defense emergencies;

4 (m) Clearing or removing debris and wreckage which may threaten
5 public health or safety from publicly owned or privately owned land or
6 water; and

7 (n) Such other measures as are customarily necessary to furnish
8 adequate relief in cases of disaster, emergency, or civil defense
9 emergency.

10 (6) If response to a disaster or emergency is immediately required,
11 the Adjutant General may make expenditures of up to twenty-five thousand
12 dollars per event without a state of emergency proclamation issued by the
13 Governor. Such expenditures shall be used for the purposes as provided in
14 subsection (5) of this section.

15 (7) The Governor may receive such voluntary contributions as may be
16 made from any nonfederal source to aid in carrying out the purposes of
17 this section and shall credit the same to the Governor's Emergency Cash
18 Fund.

19 (8) All obligations and expenses incurred by the Governor in the
20 exercise of the powers and duties vested in the Governor by this section
21 shall be paid by the State Treasurer out of available funds appropriated
22 to the Governor's Emergency Program, and the Director of Administrative
23 Services shall draw his or her warrants upon the State Treasurer for the
24 payment of such sum, or so much thereof as may be required, upon receipt
25 by him or her of proper vouchers duly approved by the Adjutant General.

26 (9) This section shall be liberally construed in order to accomplish
27 the purposes of the Emergency Management Act and to permit the Governor
28 to adequately cope with any disaster, emergency, or civil defense
29 emergency which may arise, and the powers vested in the Governor by this
30 section shall be construed as being in addition to all other powers
31 presently vested in him or her and not in derogation of any existing

1 powers.

2 (10) Such funds as may be made available by the government of the
3 United States for the purpose of alleviating distress from disasters,
4 emergencies, and civil defense emergencies may be accepted by the State
5 Treasurer and shall be credited to a separate and distinct fund unless
6 otherwise specifically provided in the act of Congress making such funds
7 available or as otherwise allowed and provided by state law.

8 (11) It is the intent of the Legislature that the four million
9 dollars saved due to the elimination of funding for the Angel Investment
10 Tax Credit Act be used to increase the appropriation to the Military
11 Department for the Governor's Emergency Program by four million dollars
12 for fiscal year 2020-21.

13 Sec. 8. Section 81-12,152, Revised Statutes Cumulative Supplement,
14 2018, is amended to read:

15 81-12,152 Sections 81-12,152 to 81-12,166 ~~81-12,167~~ shall be known
16 and may be cited as the Business Innovation Act.

17 Sec. 9. Section 81-12,163, Revised Statutes Cumulative Supplement,
18 2018, is amended to read:

19 81-12,163 (1) It is the intent of the Legislature that (a) the four
20 million dollars saved due to the elimination of funding for the Angel
21 Investment Tax Credit Act be used to increase the appropriation to
22 ~~appropriate seven million dollars from the General Fund~~ to the department
23 for the Business Innovation Act by four million dollars for fiscal year
24 2021-22 and each fiscal year thereafter and (b) the one hundred thousand
25 dollars saved due to the reduction in tax credits authorized under the
26 Angel Investment Tax Credit Act for calendar year 2019 be used to
27 increase the appropriation to the Department of Revenue by one hundred
28 thousand dollars for fiscal year 2019-20 to offset the costs incurred by
29 the Department of Revenue to implement this legislative bill for each of
30 ~~fiscal years 2015-16 and 2016-17.~~

31 (2) Up to five percent of the funds appropriated for the Business

1 Innovation Act may be used by the department, or by a nonprofit entity
2 with which the department contracts, for administrative expenses.

3 Sec. 10. Section 81-12,166, Revised Statutes Cumulative Supplement,
4 2018, is amended to read:

5 81-12,166 (1) The department shall submit an annual report to the
6 Governor and the Legislature on or before July 1 of each year which
7 includes, but is not limited to, a description of the demand for
8 financial assistance and programs under the Business Innovation Act from
9 all geographic regions in Nebraska, a listing of the recipients and
10 amounts of financial assistance awarded pursuant to the act in the
11 previous fiscal year, the impact of the financial assistance, and an
12 evaluation of the act's performance based on the documented goals of the
13 recipients. The report submitted to the Legislature shall be submitted
14 electronically. The department may require recipients to provide periodic
15 performance reports to enable the department to fulfill the requirements
16 of this subsection ~~section~~. The report shall contain no information that
17 is protected by state or federal confidentiality laws.

18 (2) Beginning in 2020 and in every even-numbered year thereafter,
19 the department shall assess and evaluate the economic impact of the
20 programs funded under the Business Innovation Act and shall include the
21 findings from such assessment and evaluation in the next annual report it
22 submits under subsection (1) of this section. To carry out this
23 subsection, the department shall contract with an organization or entity
24 pursuant to state agency procurement requirements.

25 (3) Beginning with the FY2021-23 biennial budget review process, the
26 Appropriations Committee of the Legislature shall conduct a biennial
27 analysis of the financial status and impact of the programs funded under
28 the Business Innovation Act.

29 (4) {2} Applications for funding and related documentation which may
30 be received, developed, created, or otherwise maintained by the
31 Department of Economic Development in administering the Business

1 Innovation Act may be deemed confidential by the department and not
2 subject to public disclosure.

3 Sec. 11. Original sections 13-1901 and 77-6306, Reissue Revised
4 Statutes of Nebraska, and sections 13-1907, 13-2103, 13-2112, 50-1209,
5 81-829.42, 81-12,152, 81-12,163, and 81-12,166, Revised Statutes
6 Cumulative Supplement, 2018, are repealed.

7 Sec. 12. The following section is outright repealed: Section
8 81-12,167, Reissue Revised Statutes of Nebraska.