

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1015

Introduced by Ibach, 44; Dorn, 30.

Read first time January 13, 2026

Committee: Business and Labor

1 A BILL FOR AN ACT relating to business innovation; to amend sections
2 81-12,152, 81-12,154, and 81-12,155, Reissue Revised Statutes of
3 Nebraska, and sections 48-602, 48-622.01, 48-648, 48-649.01, and
4 48-657, Revised Statutes Supplement, 2025; to redefine a term and
5 change provisions relating to the combined tax and the state
6 unemployment insurance tax rate under the Employment Security Law;
7 to change provisions relating to legislative findings and qualified
8 action plans and create a fund under the Business Innovation Act; to
9 harmonize provisions; and to repeal the original sections.
10 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 48-602, Revised Statutes Supplement, 2025, is
2 amended to read:

3 48-602 For purposes of the Employment Security Law, unless the
4 context otherwise requires:

5 (1) Agricultural labor means services performed:

6 (a) On a farm, in the employ of any employer, in connection with
7 cultivating the soil or in connection with raising or harvesting any
8 agricultural or horticultural commodity, including the raising, shearing,
9 feeding, caring for, training, and management of livestock, bees,
10 poultry, fur-bearing animals, and wildlife;

11 (b) In the employ of the owner, tenant, or other operator of a farm,
12 in connection with the operation, management, conservation, improvement,
13 or maintenance of such farm and its tools and equipment or in salvaging
14 timber or clearing land of brush and other debris left by a windstorm, if
15 the major part of such service is performed on a farm;

16 (c) In connection with the production or harvesting of any commodity
17 in connection with the operation or maintenance of ditches, canals,
18 reservoirs, or waterways, not owned or operated for profit, used
19 exclusively for supplying and storing water for farming purposes;

20 (d)(i) In the employ of the operator of a farm in handling,
21 planting, drying, packing, packaging, processing, freezing, grading,
22 storing, or delivering to storage or to market or to a carrier for
23 transportation to market, in its unmanufactured state, any agricultural
24 or horticultural commodity, but only if such operator produced more than
25 one-half of the commodity with respect to which such service is
26 performed, or (ii) in the employ of a group of operators of farms, or a
27 cooperative organization of which such operators are members, in the
28 performance of service described in subdivision (1)(d)(i) of this
29 section, but only if such operators produced more than one-half of the
30 commodity with respect to which such service is performed. Subdivisions
31 (1)(d)(i) and (ii) of this section shall not be deemed to be applicable

1 with respect to service performed in connection with commercial canning
2 or commercial freezing or in connection with any agricultural or
3 horticultural commodity after its delivery to a terminal market for
4 distribution for consumption; or

5 (e) On a farm operated for profit if such service is not in the
6 course of the employer's trade or business;

7 (2) Base period means the first four of the last five completed
8 calendar quarters immediately preceding the first day of an individual's
9 benefit year, except that if the individual is not monetarily eligible
10 for unemployment benefits as determined pursuant to section 48-627.01
11 based upon wages paid during the first four of the five most recently
12 completed calendar quarters, the department shall make a redetermination
13 of monetary eligibility based upon an alternative base period which
14 consists of the last four completed calendar quarters immediately
15 preceding the first day of the claimant's benefit year;

16 (3) Benefits means the money payments payable to an individual with
17 respect to his or her unemployment;

18 (4) Benefit year, with respect to any individual, means the one-year
19 period beginning with the first day of the first week with respect to
20 which the individual first files a valid claim for benefits, and
21 thereafter the one-year period beginning with the first day of the first
22 week with respect to which the individual next files a valid claim for
23 benefits after the termination of his or her last preceding benefit year.
24 Any claim for benefits made in accordance with section 48-629 shall be
25 deemed to be a valid claim for the purpose of this subdivision if the
26 individual has been paid the wages for insured work required under
27 section 48-627.01. For the purposes of this subdivision a week with
28 respect to which an individual files a valid claim shall be deemed to be
29 in, within, or during that benefit year which includes the greater part
30 of such week;

31 (5) Calendar quarter means the period of three consecutive calendar

1 months ending on March 31, June 30, September 30, or December 31, or the
2 equivalent thereof as the Commissioner of Labor may by rule and
3 regulation prescribe;

4 (6) Client means any individual, partnership, limited liability
5 company, corporation, or other legally recognized entity that contracts
6 with a professional employer organization to obtain professional employer
7 services relating to worksite employees through a professional employer
8 agreement;

9 (7) Combined tax means the employer liability consisting of
10 contributions and the state unemployment insurance tax;

11 (8) Combined tax rate means the rate which is applied to wages to
12 determine the combined taxes due;

13 (9) Commissioner means the Commissioner of Labor;

14 (10) Commodity means an agricultural commodity as defined in section
15 15(g) of the federal Agricultural Marketing Act, as amended, 12 U.S.C.
16 1141j;

17 (11) Contribution rate means the percentage of the combined tax rate
18 used to determine the contribution portion of the combined tax;

19 (12) Contributions means that portion of the combined tax based upon
20 the contribution rate portion of the combined tax rate which is deposited
21 in the state Unemployment Compensation Fund as required by sections
22 48-648 and 48-649 to 48-649.04;

23 (13) Crew leader means an individual who furnishes individuals to
24 perform service in agricultural labor for any other person, pays, either
25 on his or her own behalf or on behalf of such other person, the
26 individuals so furnished by him or her for the service in agricultural
27 labor performed by them, and has not entered into a written agreement
28 with such other person under which such individual is designated as an
29 employee of such other person;

30 (14) Department means the Department of Labor;

31 (15) Employers engaged in the construction industry means all

1 employers primarily engaged in business activities classified as sector
2 23 business activities under the North American Industry Classification
3 System;

4 (16) Employment office means a free public employment office or
5 branch thereof, operated by this state or maintained as a part of a
6 state-controlled system of public employment offices, including public
7 employment offices operated by an agency of a foreign government;

8 (17) Farm means stock, dairy, poultry, fruit, fur-bearing animal,
9 and truck farms, plantations, ranches, nurseries, ranges, greenhouses, or
10 other similar structures used primarily for the raising of agricultural
11 or horticultural commodities, and orchards;

12 (18) Fund means the Unemployment Compensation Fund established by
13 section 48-617 to which all contributions and payments in lieu of
14 contributions required and from which all benefits provided shall be
15 paid;

16 (19) Hearing officer means a person employed by the Department of
17 Labor who conducts hearings, contested cases, or other proceedings
18 pursuant to the Employment Security Law;

19 (20) Hospital means an institution which has been licensed,
20 certified, or approved by the Department of Health and Human Services as
21 a hospital;

22 (21) Insured work means employment for employers;

23 (22) Leave of absence means any absence from work: (a) Mutually and
24 voluntarily agreed to by the employer and the employee; (b) mutually and
25 voluntarily agreed to between the employer and the employee's bargaining
26 agent; or (c) to which the employee is entitled as a matter of state or
27 federal law;

28 (23) Paid vacation leave means a period of time while employed or
29 following separation from employment in which the individual renders no
30 services to the employer but is entitled to receive vacation pay equal to
31 or exceeding his or her base weekly wage;

1 (24) Payments in lieu of contributions means the money payments to
2 the Unemployment Compensation Fund required by sections 48-649.04,
3 48-652, 48-660.01, and 48-661;

4 (25) Professional employer agreement means a written professional
5 employer services contract whereby:

6 (a) A professional employer organization agrees to provide payroll
7 services, employee benefit administration, or personnel services for a
8 majority of the employees providing services to the client at a client
9 worksite;

10 (b) The agreement is intended to be ongoing rather than temporary in
11 nature; and

12 (c) Employer responsibilities for worksite employees, including
13 those of hiring, firing, and disciplining, are shared between the
14 professional employer organization and the client by contract. The term
15 professional employer agreement shall not include a contract between a
16 parent corporation, company, or other entity and a wholly owned
17 subsidiary;

18 (26) Professional employer organization means any individual,
19 partnership, limited liability company, corporation, or other legally
20 recognized entity that enters into a professional employer agreement with
21 a client or clients for a majority of a client's workforce at a client
22 worksite. The term professional employer organization does not include an
23 insurer as defined in section 44-103 or a temporary help firm;

24 (27) Standard rate means the rate assigned to category twenty for
25 that year under section 48-649.03. The standard rate shall be not less
26 than five and four-tenths percent of the employer's annual taxable
27 payroll;

28 (28) State includes, in addition to the states of the United States
29 of America, any dependency of the United States, the Commonwealth of
30 Puerto Rico, the Virgin Islands, and the District of Columbia;

31 (29) State unemployment insurance tax means that portion of the

1 combined tax which is based upon the state unemployment insurance tax
2 rate portion of the combined tax rate and which is deposited in the
3 Workforce Development Program Cash Fund and the Business Innovation Cash
4 Fund as required by sections 48-648 and 48-649 to 48-649.04;

5 (30) State unemployment insurance tax rate means the percentage of
6 the combined tax rate used to determine the state unemployment insurance
7 tax portion of the combined tax;

8 (31) Temporary employee means an employee of a temporary help firm
9 assigned to work for the clients of such temporary help firm;

10 (32) Temporary help firm means a firm that hires its own employees
11 and assigns them to clients to support or supplement the client's
12 workforce in work situations such as employee absences, temporary skill
13 shortages, seasonal workloads, and special assignments and projects;

14 (33) Unemployed means an individual during any week in which the
15 individual performs no service and with respect to which no wages are
16 payable to the individual or any week of less than full-time work if the
17 wages payable with respect to such week are less than the individual's
18 weekly benefit amount, but does not include any individual on a leave of
19 absence or on paid vacation leave. When an agreement between the employer
20 and a bargaining unit representative does not allocate vacation pay
21 allowance or pay in lieu of vacation to a specified period of time during
22 a period of temporary layoff or plant shutdown, the payment by the
23 employer or his or her designated representative will be deemed to be
24 wages as defined in this section in the week or weeks the vacation is
25 actually taken;

26 (34) Unemployment Trust Fund means the trust fund in the Treasury of
27 the United States of America established under section 904 of the federal
28 Social Security Act, 42 U.S.C. 1104, as such section existed on January
29 1, 2015, which receives credit from the state Unemployment Compensation
30 Fund;

31 (35) Wages, except with respect to services performed in employment

1 as provided in subdivisions (4)(c) and (d) of section 48-604, means all
2 remuneration for personal services, including commissions and bonuses,
3 remuneration for personal services paid under a contract of hire, and the
4 cash value of all remunerations in any medium other than cash. The
5 reasonable cash value of remuneration in any medium other than cash shall
6 be estimated and determined in accordance with rules and regulations
7 adopted and promulgated by the commissioner. Wages includes tips which
8 are received while performing services which constitute employment and
9 which are included in a written statement furnished to the employer
10 pursuant to section 6053(a) of the Internal Revenue Code as defined in
11 section 49-801.01.

12 With respect to services performed in employment in agricultural
13 labor as is provided in subdivision (4)(c) of section 48-604, wages means
14 cash remuneration and the cash value of commodities not intended for
15 personal consumption by the worker and his or her immediate family for
16 such services. With respect to services performed in employment in
17 domestic service as is provided in subdivision (4)(d) of section 48-604,
18 wages means cash remuneration for such services.

19 The term wages does not include:

20 (a) The amount of any payment, including any amount paid by an
21 employer for insurance or annuities or into a fund to provide for such
22 payment, made to, or on behalf of, an individual in employment or any of
23 his or her dependents under a plan or system established by an employer
24 which makes provision for such individuals generally or for a class or
25 classes of such individuals, including any amount paid by an employer for
26 insurance or annuities or into a fund to provide for any such payment, on
27 account of (i) sickness or accident disability, except, in the case of
28 payments made to an employee or any of his or her dependents, this
29 subdivision (i) shall exclude from wages only payments which are received
30 under a workers' compensation law, (ii) medical and hospitalization
31 expenses in connection with sickness or accident disability, or (iii)

1 death;

2 (b) The payment by an employer, without deduction from the
3 remuneration of the employee, of the tax imposed upon an employee under
4 section 3101 of the Internal Revenue Code as defined in section
5 49-801.01;

6 (c) Any payment on account of sickness or accident disability, or
7 medical or hospitalization expenses in connection with sickness or
8 accident disability, made by an employer to, or on behalf of, an
9 individual after the expiration of six calendar months following the last
10 calendar month in which such individual worked for such employer;

11 (d) Any payment made to, or on behalf of, an individual or his or
12 her beneficiary (i) from or to a trust described in section 401(a) of the
13 Internal Revenue Code as defined in section 49-801.01 which is exempt
14 from tax under section 501(a) of the Internal Revenue Code as defined in
15 section 49-801.01 at the time of such payment unless such payment is made
16 to an employee of the trust as remuneration for services rendered as such
17 employee and not as a beneficiary of the trust or (ii) under or to an
18 annuity plan which, at the time of such payment, meets the requirements
19 of section 401 of the Internal Revenue Code as defined in section
20 49-801.01;

21 (e) Any payment made to, or on behalf of, an employee or his or her
22 beneficiary (i) under a simplified employee pension as defined by the
23 commissioner, (ii) under or to an annuity contract as defined by the
24 commissioner, other than a payment for the purchase of such contract
25 which is made by reason of a salary reduction agreement, whether
26 evidenced by a written instrument or otherwise, (iii) under or to an
27 exempt governmental deferred compensation plan as defined by the
28 commissioner, (iv) to supplement pension benefits under a plan or trust,
29 as defined by the commissioner, to take into account some portion or all
30 of the increase in the cost of living since retirement, but only if such
31 supplemental payments are under a plan which is treated as a welfare

1 plan, or (v) under a cafeteria benefits plan;

2 (f) Remuneration paid in any medium other than cash to an individual
3 for service not in the course of the employer's trade or business;

4 (g) Benefits paid under a supplemental unemployment benefit plan
5 which satisfies the eight points set forth in Internal Revenue Service
6 Revenue Ruling 56-249 as the ruling existed on January 1, 2015, and is in
7 compliance with the standards set forth in Internal Revenue Service
8 Revenue Rulings 58-128 and 60-330 as the rulings existed on January 1,
9 2015; and

10 (h) Remuneration for service performed in the employ of any state in
11 the exercise of his or her duties as a member of the Army National Guard
12 or Air National Guard or in the employ of the United States of America as
13 a member of any military reserve unit;

14 (36) Week means such period of seven consecutive days as the
15 commissioner may by rule and regulation prescribe;

16 (37) Week of unemployment with respect to any individual means any
17 week during which he or she performs less than full-time work and the
18 wages payable to him or her with respect to such week are less than his
19 or her weekly benefit amount;

20 (38) Wholly owned subsidiary means a corporation, company, or other
21 entity which has eighty percent or more of its outstanding voting stock
22 or membership owned or controlled, directly or indirectly, by the parent
23 entity; and

24 (39) Worksite employee has the same meaning as the term covered
25 employee in section 48-2702.

26 **Sec. 2.** Section 48-622.01, Revised Statutes Supplement, 2025, is
27 amended to read:

28 48-622.01 There is hereby created in the state treasury a special
29 fund to be known as the State Unemployment Insurance Trust Fund. The fund
30 terminates on July 1, 2025, and the State Treasurer shall transfer any
31 money in the fund on such date to the Workforce Development Program Cash

1 Fund. Beginning July 1, 2025, all state unemployment insurance tax
2 collected under sections 48-648 to 48-661, less refunds, shall be paid
3 into the Workforce Development Program Cash Fund and the Business
4 Innovation Cash Fund.

5 **Sec. 3.** Section 48-648, Revised Statutes Supplement, 2025, is
6 amended to read:

7 48-648 (1) With respect to wages for employment, combined tax shall
8 accrue and become payable by each employer not otherwise entitled to make
9 payments in lieu of contributions for each calendar year in which he or
10 she is subject to the Employment Security Law. Such combined tax shall
11 become due and be paid by each employer to the commissioner for the
12 Workforce Development Program Cash Fund, the Business Innovation Cash
13 Fund, and the Unemployment Trust Fund in such manner and at such times as
14 the commissioner may, by rule and regulation, prescribe. Such combined
15 tax shall not be deducted, in whole or in part, from the wages of
16 individuals in such employer's employ.

17 (2) The commissioner may require any employer whose annual payroll
18 for either of the two preceding calendar years has equaled or exceeded
19 one hundred thousand dollars to file combined tax returns and pay
20 combined taxes owed by an electronic method approved by the commissioner,
21 except when the employer establishes to the satisfaction of the
22 commissioner that filing the combined tax return or payment of the tax by
23 an electronic method would create a hardship for the employer.

24 (3) In the payment of any combined tax, a fractional part of a cent
25 shall be disregarded unless it amounts to one-half cent or more, in which
26 case it shall be increased to one cent. If the combined tax due for any
27 reporting period is less than five dollars, the employer need not remit
28 the combined tax.

29 (4) If two or more related corporations or limited liability
30 companies concurrently employ the same individual and compensate such
31 individual through a common paymaster which is one of such corporations

1 or limited liability companies, each such corporation or limited
2 liability company shall be considered to have paid as remuneration to
3 such individual only the amounts actually disbursed by it to such
4 individual and shall not be considered to have paid as remuneration to
5 such individual amounts actually disbursed to such individual by another
6 of such corporations or limited liability companies. An employee of a
7 wholly owned subsidiary shall be considered to be concurrently employed
8 by the parent corporation, company, or other entity and the wholly owned
9 subsidiary whether or not both companies separately provide remuneration.

10 (5) The professional employer organization shall report and pay
11 combined tax, penalties, and interest owed for wages earned by worksite
12 employees under the client's employer account number using the client's
13 combined tax rate. The client is liable for the payment of unpaid
14 combined tax, penalties, and interest owed for wages paid to worksite
15 employees, and the worksite employees shall be considered employees of
16 the client for purposes of the Employment Security Law.

17 (6) The Commissioner of Labor may require by rule and regulation
18 that each employer subject to the Employment Security Law shall submit to
19 the commissioner quarterly wage reports on such forms and in such manner
20 as the commissioner may prescribe. The commissioner may require any
21 employer whose annual payroll for either of the two preceding calendar
22 years has equaled or exceeded one hundred thousand dollars to file wage
23 reports by an electronic method approved by the commissioner, except when
24 the employer establishes to the satisfaction of the commissioner that
25 filing by an electronic method would create a hardship for the employer.
26 The quarterly wage reports shall be used by the commissioner to make
27 monetary determinations of claims for benefits.

28 **Sec. 4.** Section 48-649.01, Revised Statutes Supplement, 2025, is
29 amended to read:

30 48-649.01 (1) By December 1 of each calendar year, the commissioner
31 shall determine the state unemployment insurance tax rate for the

1 following year based on information available through the department.

2 (2) If the state unemployment insurance tax rate is determined to be
3 zero percent pursuant to subsection (1) of this section, the contribution
4 rate for all employers shall equal one hundred percent of the combined
5 tax rate.

6 (3) If the state unemployment insurance tax rate is not zero percent
7 as determined in this section, the combined tax rate shall be divided so
8 that not less than eighty percent of the combined tax rate equals the
9 contribution rate and not more than twenty percent of the combined tax
10 rate equals the state unemployment insurance tax rate except for
11 employers who are assigned a combined tax rate of five and four-tenths
12 percent or more. For those employers, the state unemployment insurance
13 tax rate shall equal zero and their combined tax rate shall equal their
14 contribution rate.

15 (4) On or before December 31 of each calendar year, the commissioner
16 shall designate the percentage and proportion of the state unemployment
17 insurance tax rate that shall be remitted to the Workforce Development
18 Program Cash Fund for the support of workforce development programs and
19 to the Business Innovation Cash Fund for the support of workforce
20 innovation programs. The department shall execute a memorandum of
21 understanding with the Department of Economic Development before
22 September 30 of each calendar year to ensure the commissioner receives
23 sufficient information regarding the current status of programs
24 administered under the Business Innovation Act, including any data
25 necessary for the commissioner to make an informed determination pursuant
26 to this section.

27 **Sec. 5.** Section 48-657, Revised Statutes Supplement, 2025, is
28 amended to read:

29 48-657 (1)(a) If any employer defaults in any payment of combined
30 tax or interest, the commissioner may make in any manner feasible and
31 cause to be filed as a secured transaction as provided in article 9,

1 Uniform Commercial Code, and in the real estate mortgage records of any
2 county in which such employer is engaged in business or owns real or
3 personal property, a statement, under oath, showing the amount of
4 combined tax and interest in default, which statement, when filed for
5 record, shall operate as a lien and mortgage on all of the real and
6 personal property of the employer, subject only to the liens of prior
7 record, and the property of such employer shall be subject to seizure and
8 sale for the payment of such combined taxes and interest. Such lien on
9 personal property may be enforced or dissolved in the manner provided by
10 article 9, Uniform Commercial Code, and such liens on real estate may be
11 enforced or dissolved in the manner provided by Chapter 25, article 21,
12 in the enforcing and dissolving of real estate mortgages. This
13 subdivision shall only apply to liens filed prior to May 1, 1999.

14 (b) A lien for unpaid combined taxes filed or recorded pursuant to
15 subdivision (a) of this subsection shall lapse at the earlier of its
16 expiration date or the fifth anniversary of the filing or recording date,
17 unless the commissioner files a notice of continuation in the place of
18 the original filing or recording and with the appropriate filing officer
19 in the manner provided for in the Uniform State Tax Lien Registration and
20 Enforcement Act before such lien lapses. A notice of continuation shall
21 include all of the information required by the act, the date of the
22 filing or recording of the original lien, and a statement that the
23 original lien is to be continued for ten years. Thereafter, such lien
24 shall be enforced and notices of continuation filed in accordance with
25 the act.

26 (c) On and after May 1, 1999, if any employer defaults in any
27 payment of combined tax or interest, the commissioner may file a lien
28 against such employer in accordance with the Uniform State Tax Lien
29 Registration and Enforcement Act. Such liens shall set forth the amount
30 of combined tax and interest in default and shall be continued and
31 enforced as provided in the Uniform State Tax Lien Registration and

1 Enforcement Act.

2 (2) It shall be the duty of the State of Nebraska, or any department
3 or agency thereof, county boards, the contracting board of all cities,
4 villages, and school districts, all public boards empowered by law to
5 enter into a contract by public bidding for the erecting and finishing or
6 the repairing of any public building, bridge, highway, or other public
7 structure or improvement, and any officer or officers so empowered by law
8 to enter into such contract to provide in such contract that the person,
9 persons, firm, or corporation to whom the contract is awarded will pay to
10 the Unemployment Compensation Fund of the State of Nebraska, the Business
11 Innovation Cash Fund, and the Workforce Development Program Cash Fund
12 unemployment combined tax and interest due under the Employment Security
13 Law on wages paid to individuals employed in the performance of such
14 contract.

15 (3) No contract referred to in subsection (2) of this section shall
16 be entered into by the State of Nebraska, a department or agency thereof,
17 an officer or officers, or a board referred to in such subsection unless
18 the contract contains the proviso mentioned in such subsection.

19 (4) Before final payment may be made on the final three percent of
20 any such contract awarded on or after June 1, 1957, the State of
21 Nebraska, department or agency thereof, officer or officers, or board
22 awarding the contract must have received from the contractor a written
23 clearance from the commissioner certifying that all payments then due of
24 combined tax or interest which may have arisen under such contract have
25 been made by the contractor or his or her subcontractor to the
26 Unemployment Compensation Fund.

27 (5) The final three percent of any such contract referred to in
28 subsection (4) of this section may be paid if the contractor has supplied
29 a bond with a satisfactory surety company guaranteeing full payment to
30 the Unemployment Compensation Fund, the Business Innovation Cash Fund,
31 and the Workforce Development Program Cash Fund of all combined tax and

1 interest due under the Employment Security Law.

2 **Sec. 6.** Section 81-12,152, Reissue Revised Statutes of Nebraska, is
3 amended to read:

4 81-12,152 Sections 81-12,152 to 81-12,166 and section 9 of this act
5 shall be known and may be cited as the Business Innovation Act.

6 **Sec. 7.** Section 81-12,154, Reissue Revised Statutes of Nebraska, is
7 amended to read:

8 81-12,154 The purpose of the Business Innovation Act is to encourage
9 and support the transfer of Nebraska-based technology and innovation in
10 rural and urban areas of Nebraska in order to create high growth, high
11 technological companies, small businesses, and microenterprises and to
12 enhance creation of wealth and quality jobs. The Legislature finds that
13 the act will:

14 (1) Provide technical assistance planning grants pursuant to section
15 81-12,157 to facilitate phase one applications for the federal grant
16 program;

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

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

22 (4) Establish a financial assistance program pursuant to section
23 81-12,159 for innovation in value-added agriculture;

24 (5) Establish a financial assistance program for innovation in
25 biosciences;

26 (6) Establish a financial assistance program pursuant to section
27 81-12,160 to identify commercial products and processes;

28 (7) Provide financial assistance pursuant to section 81-12,161 to
29 companies using Nebraska public or private college and university
30 researchers and facilities for applied research projects;

31 (8) Provide support and funding pursuant to section 81-12,162 for

1 microlending entities, microenterprise entities, and innovation hubs; and
2 (9) Provide support for locally owned and operated Nebraska-based,
3 high growth businesses by providing technical resources to foster
4 development, growth, and high wage creation. For purposes of this
5 subdivision, Nebraska-based, high growth business means a corporation,
6 partnership, limited liability company, limited partnership, or limited
7 liability partnership registered with the Secretary of State that has two
8 to fifty employees and has annual sales of no less than five hundred
9 thousand dollars and no more than two million five hundred thousand
10 dollars; and -

11 (10) Establish that any entity receiving financial assistance under
12 the Business Innovation Act and that employs any person in this state,
13 whether or not such entity is subject to the Employment Security Law,
14 shall be required to submit to the Department of Labor quarterly wage
15 reports on such forms and in such manner as the Commissioner of Labor may
16 require.

17 **Sec. 8.** Section 81-12,155, Reissue Revised Statutes of Nebraska, is
18 amended to read:

19 81-12,155 In selecting projects to receive financial assistance
20 under the Business Innovation Act, the department shall develop a
21 qualified action plan by January 1 of each even-numbered year. The plan
22 shall set forth selection criteria to be used to determine priorities
23 which are appropriate to local conditions and the state's economy,
24 including the state's immediate need for innovation development, proposed
25 increases in jobs and investment, private dollars leveraged, industry
26 support and participation, and repayment, in part or in whole, of
27 financial assistance awarded under the act. The plan shall also include
28 selection criteria establishing that any entity applying for financial
29 assistance under the Business Innovation Act that employs any person in
30 this state, whether or not such entity is subject to the Employment
31 Security Law, shall be required to submit to the Department of Labor

1 quarterly wage reports on such forms and in such manner as the
2 Commissioner of Labor may require. The department shall submit the plan
3 to the Governor for approval.

4 **Sec. 9.** (1) The Business Innovation Cash Fund is created. The fund
5 shall be used to carry out the Business Innovation Act, except that the
6 fund shall not be used for purposes of sections 81-12,155.01 and
7 81-12,163.01. The fund shall consist of deposits to the fund as required
8 by sections 48-648 and 48-649 to 48-649.04. Any money in the fund
9 available for investment shall be invested by the state investment
10 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska
11 State Funds Investment Act.

12 (2) Money in the fund shall be expended by the department for the
13 purpose of:

14 (a) Carrying out the Business Innovation Act, except that such money
15 shall not be expended for the purpose of carrying out the Bioscience
16 Innovation Program; and

17 (b) Payment of unemployment benefits if determined necessary by the
18 Commissioner of Labor.

19 (3) The department, or any entity with which the department
20 contracts for such purpose, may use up to five percent of any
21 appropriation from the fund for administrative expenses.

22 **Sec. 10.** Original sections 81-12,152, 81-12,154, and 81-12,155,
23 Reissue Revised Statutes of Nebraska, and sections 48-602, 48-622.01,
24 48-648, 48-649.01, and 48-657, Revised Statutes Supplement, 2025, are
25 repealed.