

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1044

Introduced by Prokop, 27.

Read first time January 14, 2026

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to the Business Innovation Act; to amend
- 2 sections 81-12,155, 81-12,158, 81-12,160, and 81-12,163, Reissue
- 3 Revised Statutes of Nebraska; to change provisions relating to a
- 4 qualified action plan, a financial assistance program for creating
- 5 prototypes, a financial assistance program for commercializing
- 6 products and processes, and legislative intent for appropriations;
- 7 to repeal the original sections; and to declare an emergency.
- 8 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 81-12,155, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 81-12,155 In selecting projects to receive financial assistance
4 under the Business Innovation Act, the department shall develop a
5 qualified action plan by January 1 of each even-numbered year. The plan
6 shall set forth selection criteria to be used to determine priorities
7 which are appropriate to local conditions and the state's economy,
8 including the state's immediate need for innovation development, proposed
9 increases in jobs and investment, private dollars leveraged, industry
10 support and participation, and repayment, in part or in whole, of
11 financial assistance awarded under the act. ~~The department shall submit~~
12 ~~the plan to the Governor for approval.~~

13 **Sec. 2.** Section 81-12,158, Reissue Revised Statutes of Nebraska, is
14 amended to read:

15 81-12,158 (1) The department shall establish a financial assistance
16 program to provide financial assistance to businesses that employ no more
17 than five hundred employees or to individuals for the purposes of
18 creating a prototype of a product stemming from research and development
19 at a business operating in Nebraska or a public or private college or
20 university in Nebraska.

21 (2)(a) Until three months after April 20, 2022, funds shall be
22 matched by nonstate funds equivalent in money equal to fifty percent of
23 the funds requested; and

24 (b) Beginning three months after April 20, 2022, funds shall be
25 matched by nonstate funds equivalent in money equal to:

26 (i) Twenty-five percent of the funds requested if the applicant's
27 principal residence or principal place of business is located in an
28 economic redevelopment area within a city of the metropolitan class; or

29 (ii) Fifty percent of the funds requested for any other applicant.

30 (3) Matching funds may be from any nonstate source, including
31 private foundations, federal or local government sources, quasi-

1 governmental entities, or commercial lending institutions, or any other
2 funds whose source does not include funds appropriated by the
3 Legislature.

4 (4) The amount the department may provide shall not exceed one
5 hundred fifty thousand dollars per project.

6 (5) A business or individual applying for financial assistance under
7 this section shall include a business plan that includes a proof-of-
8 concept demonstration.

9 (6) Financial assistance under this section shall be expended within
10 twenty-four months after the date of the awarding decision.

11 (7) The department shall award at least four million dollars per
12 year and may award up to six million dollars per year for financial
13 assistance under this section.

14 **Sec. 3.** Section 81-12,160, Reissue Revised Statutes of Nebraska, is
15 amended to read:

16 81-12,160 (1) The department shall establish a financial assistance
17 program to provide financial assistance to businesses operating in
18 Nebraska that employ no more than five hundred employees or to
19 individuals that have a prototype of a product or process for the
20 purposes of commercializing such product or process. The applicant shall
21 submit a feasibility study stating the potential sales and profit
22 projections for the product or process.

23 (2) The department shall create a program with the following
24 provisions to support commercialization of a product or process:

25 (a) Commercialization infrastructure documentation, including market
26 assessments and start-up strategic planning;

27 (b) Promotion, marketing, advertising, and consulting;

28 (c) Management and business planning support;

29 (d) Linking companies and entrepreneurs to mentors;

30 (e) Preparing companies and entrepreneurs to acquire venture
31 capital; and

1 (f) Linking companies to sources of capital.

2 (3) Funds shall be matched by nonstate funds equal to fifty percent
3 of the funds requested. Matching funds may be from any nonstate source,
4 including private foundations, federal or local government sources,
5 quasi-governmental entities, or commercial lending institutions, or any
6 other funds whose source does not include funds appropriated by the
7 Legislature.

8 (4) The department shall not provide more than five hundred thousand
9 dollars to any one project. Each year the department shall award at least
10 four million dollars and may award up to six million dollars under this
11 section.

12 (5) Financial assistance provided under this section shall be
13 expended within twenty-four months after the date of the awarding
14 decision.

15 (6) To carry out this section, the department shall contract with
16 one statewide venture development organization that is incorporated in
17 the State of Nebraska and exempt for federal tax purposes under section
18 501(c)(3) of the Internal Revenue Code.

19 **Sec. 4.** Section 81-12,163, Reissue Revised Statutes of Nebraska, is
20 amended to read:

21 81-12,163 (1) It is the intent of the Legislature to appropriate
22 fifteen million dollars to the department for fiscal year 2026-27 and
23 each fiscal year thereafter for purposes of carrying out the Business
24 Innovation Act.

25 (2) {1} It is the intent of the Legislature that (a) the four
26 million dollars saved due to the elimination of funding for the Angel
27 Investment Tax Credit Act be used to increase the appropriation to the
28 department for the Business Innovation Act by four million dollars for
29 fiscal year 2021-22 and each fiscal year thereafter and (b) the one
30 hundred thousand dollars saved due to the reduction in tax credits
31 authorized under the Angel Investment Tax Credit Act for calendar year

1 2019 be used to increase the appropriation to the Department of Revenue
2 by one hundred thousand dollars for fiscal year 2019-20 to offset the
3 costs incurred by the Department of Revenue to implement Laws 2019,
4 LB334.

5 (3) ~~(2)~~ Up to five percent of the funds appropriated for the
6 Business Innovation Act may be used by the department, or by a nonprofit
7 entity with which the department contracts, for administrative expenses.

8 **Sec. 5.** Original sections 81-12,155, 81-12,158, 81-12,160, and
9 81-12,163, Reissue Revised Statutes of Nebraska, are repealed.

10 **Sec. 6.** Since an emergency exists, this act takes effect when
11 passed and approved according to law.