

January 25, 2011



Economic Development Legislation Positions



Nebraska Internship Program: LB386, introduced by Senator Lavon Heidemann of Elk Creek on behalf of the Governor, aims to increase the number of college and university students interning with Nebraska businesses. Funded with \$1.5 million annually in redirected job training funds and a 100% match from companies creating new internships, the program would provide job experience for juniors and seniors at the state's four-year institutions or students in their second year at a Nebraska community college. Grants of up to \$3,500 in non-metro areas or \$5,000 in metro areas would be awarded on a first-come, first-serve basis to companies creating new internship opportunities, with no more than five grant-qualified interns each year at any one business. Internships would pay at least minimum wage and could range from 12 weeks to year-long programs. The Norfolk Area Chamber of Commerce supports LB386.



Business Innovation Act: LB387, introduced by Senator Galen Hadley of Kearney on behalf of the Governor, would provide competitive grants for private sector research at Nebraska institutions, technical assistance in new product development and testing, and help expand small business and entrepreneur outreach efforts. The effort will be paid for with \$1.5 million in redirected funds and \$5.5 million in new funding. The proposal would expand Small Business Innovation Research programs, including offering grants for application development, and provide funding to help with prototype development, commercialization, and applied research at Nebraska institutions. Additionally, it would provide assistance for micro-enterprise projects. The Norfolk Area Chamber of Commerce supports LB387.



Site & Building Development Fund: LB388, introduced by Senator John Wightman of Lexington on behalf of the Governor, would increase the number of industrial and commercial sites available and ready for business development using \$3 million in redirected resources and at least a one-to-one match from communities. An estimated \$1.5 million in annual funding would come from directing a portion of the Real Estate Document Stamp fee paid for projects other than housing development. Funding could be distributed as grants, loans and credit enhancements to help with demolition, new construction and rehabilitation. State funding would be focused on land and infrastructure costs with 40% of funding going to non-metro areas. The Norfolk Area Chamber of Commerce supports LB388.



Angel Investment Tax Credit: LB389, introduced by Senator Abbie Cornett of Bellevue on behalf of the Governor, would encourage investment in high-tech and other startup enterprises in Nebraska by providing refundable state income tax credits to qualified investors investing in qualified early-stage companies. The program would be capped at \$5 million annually, with \$3 million coming from redirected funds and \$2 million in new funding. The minimum investment would be \$25,000 per year for individuals and \$50,000 for investment funds. Eligible small businesses would have fewer than 25 employees, the majority of whom live and work in the state. The Norfolk Area Chamber of Commerce supports LB389. **OVER→**



Nebraska Advantage – Sales Tax Refunds: LB323 by Senator Abbie Cornett of Bellevue is a bill to amend the Nebraska Advantage Act. A provision would require that upon receipt of a complete application, the Tax Commissioner would notify any municipality that would be impacted by the granting of a local option sales and use tax refund for the project. Within 30 days after notification, the governing body of the municipality would respond in writing to confirm receipt of the notice and indicate whether it would refund the local option sales and use taxes paid by the applicant if the application is approved. The refund of local option sales and use taxes would apply to municipalities which have agreed to refund as part of the application process. The amendment would apply to all applications filed on or after the effective date of the bill. For all applications filed prior to such date, the provisions of the Nebraska Advantage Act as they existed immediately prior to such date would apply. The Norfolk Area Chamber of Commerce opposes LB323.



Roads Funding: LB84 by Senator Deb Fischer of Valentine would adopt the Build Nebraska Act and authorize bonds for the highway system. The bill would target a half-cent of existing sales tax to be dedicated to a newly created State Highway Capital Improvement Fund. A half-cent of sales tax would generate roughly \$125 million per year. The fund would be used by the Nebraska Department of Roads (NDOR) to construct high-dollar, high-priority capital improvement and reconstruction projects throughout the state. The projects would be selected through the NDOR’s normal prioritization process. The bill would have a two-year implementation delay, taking effect in 2013. Under the bill, the NDOR would be required to spend at least \$15 million per year on completion of the expressway system. The bill also allows NDOR to bond for high-priority projects with a cap of \$500 million in issued bonds and a debt service ceiling of \$25 million per year. The bonds would need to be issued within the first five years of the program and would be repaid using sales tax money if voters approve a constitutional amendment allowing the action. The Norfolk Area Chamber of Commerce supports LB84.

NOTE: The Build Nebraska Act for Roads Funding (LB84) is included in our economic development legislation position paper because the citizens of the Norfolk area consider LB84 as not just a transportation bill but rather as a key economic development solution for Nebraska.

KEY:



= Support



= Oppose