

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 536**

Introduced by Sorrentino, 39.

Read first time January 22, 2025

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to economic development; to adopt the  
2 Manufacturing Modernization Pilot Investment Act; and to declare an  
3 emergency.  
4 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Sections 1 to 8 of this act shall be known and may be  
2 cited as the Manufacturing Modernization Pilot Investment Act.

3           **Sec. 2.** The purpose of the Manufacturing Modernization Pilot  
4 Investment Act is to partner with the manufacturing sector by providing  
5 one-time grants to eligible manufacturing operations to assist such  
6 operations with capital investments in qualified investments that will  
7 increase, and lead to the adoption and integration of, smart technologies  
8 and increased productivity in existing manufacturing operations located  
9 in this state and that will provide a positive economic impact in the  
10 State of Nebraska.

11           **Sec. 3.** For purposes of the Manufacturing Modernization Pilot  
12 Investment Act:

13           (1) Department means the Department of Economic Development;

14           (2) Eligible manufacturing operation means a manufacturer of goods  
15 at a facility located in this state that:

16           (a) Has a North American Industry Classification System number  
17 within the manufacturing sector range of 31 to 33;

18           (b) Has been an established business for a minimum of three years  
19 prior to the date of application for the grant;

20           (c) Derives a minimum of fifty-one percent of the manufacturer's  
21 gross revenue from the sale of manufactured goods;

22           (d) Employs a minimum of three full-time employees; and

23           (e) Demonstrates the ability to provide private matching financial  
24 support for the manufacturer's manufacturing modernization investment  
25 project on a one-to-one basis;

26           (3) Grant means a manufacturing modernization investment grant  
27 issued under the Manufacturing Modernization Pilot Investment Act in an  
28 amount up to, but not to exceed, two hundred fifty thousand dollars from  
29 the Manufacturing Modernization Pilot Investment Fund;

30           (4) Manufacturing modernization investment project means a project  
31 that is intended to lead to the adoption and integration of smart

1 technologies into existing manufacturing operations located in the state  
2 by mitigating the risk to the manufacturer of significant technology  
3 investments. Manufacturing modernization investment project includes, but  
4 is not limited to, an investment in specialized hardware, software, or  
5 other equipment intended to assist a manufacturer in increasing the  
6 manufacturer's productivity, efficiency, and competitiveness; and

7 (5) Private matching financial support means any financial support  
8 derived from a source other than a direct appropriation from the State of  
9 Nebraska or its political subdivisions.

10 **Sec. 4.** (1) Beginning October 1, 2025, through November 1, 2025, an  
11 eligible manufacturing operation may apply to the department for a grant.  
12 The application shall include, but not be limited to, the following  
13 information:

14 (a) A description of the manufacturing modernization investment  
15 project;

16 (b) The estimated cost of the manufacturing modernization investment  
17 project; and

18 (c) Documentation on the amount of private matching financial  
19 support available for the manufacturing modernization investment project  
20 that have been received or will be received by the eligible manufacturing  
21 operation. Such amount shall be at least equal to the amount of any grant  
22 received under the act. The documentation provided under this subdivision  
23 does not need to identify any provider of private matching financial  
24 support.

25 (2) The department shall consider applications in the order in which  
26 they are received. If an applicant is an eligible manufacturing operation  
27 and otherwise qualifies for a grant, the department shall, subject to  
28 subsection (3) of this section, approve the application and notify the  
29 applicant of the approval.

30 (3) The department may approve applications within the limits of  
31 available funding under the Manufacturing Modernization Pilot Investment

1 Act. The amount of any grant approved shall be equal to the amount of  
2 money supplied by the eligible manufacturing operation from providers of  
3 private matching financial support, as documented under subdivision (1)  
4 (c) of this section, except that no grant shall be for more than two  
5 hundred fifty thousand dollars.

6 **Sec. 5.** (1) The department shall not approve an application for a  
7 manufacturing modernization investment project that was commenced prior  
8 to the date of the application.

9 (2) Any eligible manufacturing operation that no longer meets the  
10 requirements of subdivision (2) of section 3 of this act shall repay any  
11 grant funds received under the Manufacturing Modernization Pilot  
12 Investment Act.

13 **Sec. 6.** The Manufacturing Modernization Pilot Investment Fund is  
14 created. The fund shall consist of transfers authorized by the  
15 Legislature and any gifts, grants, or bequests from any source, including  
16 federal, state, public, and private sources. The fund shall be  
17 administered by the department and shall be used to provide grants under  
18 the Manufacturing Modernization Pilot Investment Act. Any money in the  
19 fund available for investment shall be invested by the state investment  
20 officer pursuant to the Nebraska Capital Expansion Act and the Nebraska  
21 State Funds Investment Act.

22 **Sec. 7.** It is the intent of the Legislature to appropriate [XXXX]  
23 dollars from the General Fund for purposes of carrying out the  
24 Manufacturing Modernization Pilot Investment Act.

25 **Sec. 8.** The department may adopt and promulgate rules and  
26 regulations to carry out the Manufacturing Modernization Pilot Investment  
27 Act.

28 **Sec. 9.** Since an emergency exists, this act takes effect when  
29 passed and approved according to law.