



Hundredth Legislature - First Session - 2007  
**Introducer's Statement of Intent**  
**LB 498**

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**Chairperson:** Ron Raikes  
**Committee:** Education  
**Date of Hearing:** February 27, 2007

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The future of Nebraska demands that the state promote economic development in our rural areas. Especially important is the encouragement of businesses which have shown or are showing significant growth. Growing businesses face obstacles in recruiting employees to relocate from larger cities to rural areas. One of those obstacles has been the difficulty in modernizing school facilities. LB 498 would establish a partnership for economic growth among the state, school districts and business to address the facilities concern.

The bill will allow businesses who have earned state tax incentives to, in effect, donate a portion of those credits to a rural school district. The state would redeem those credits over a period of years, with the redemption period intended to coincide with the repayment of bonds. In order to qualify for the state paying those credits to the school district, the business must match 75% of the credits with an additional contribution. Thus, upgrades of facilities or programs would be based upon contributions from the business, the school district and the state.

**Principal Introducer:** \_\_\_\_\_  
**Senator Tom White**