



Hundredth Legislature - First Session - 2007
Introducer's Statement of Intent
LB 510

Chairperson: Ray Janssen
Committee: Revenue
Date of Hearing: February 1, 2007

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

LB 510 consists of three main components, two of which deal with reducing property taxes and the third would create a Scholarship Trust Fund. These three components are included together in this bill because they address how the projected budgetary surplus would be used.

First, LB 510 would provide property tax relief for agricultural and horticultural land owners and those who qualify for a homestead exemption. For the purposes of property taxation, agricultural and horticultural land shall be taxed at sixty-five percent of its actual value.

Second, LB 510 increases the amount exempt from taxation of a homestead by providing an exemption equal to ten percent of the average assessed value of a single-family residential property in the county of the homestead.

This bill also simplifies the homestead exemption filing process. Beginning in 2009, anyone who has applied for and received a homestead exemption in the previous year will not need to reapply for the exemption in succeeding years. The county assessor shall determine whether a claimant shall receive a homestead exemption in succeeding years.

Third, LB 510 would allocate \$50 million to establish the Scholarship Trust Fund, which would provide scholarships to students who are willing to study in particular fields and who agree to then "pay back" the scholarship with a time commitment in Nebraska communities where that need is the greatest.

Students would be required to agree to work where they are needed the most for the same number of years as the scholarship. In other words, if a student receives a four-year scholarship, then they would be required to work in a particular community of need for four years to fulfill their commitment.

The Scholarship Trust Fund would be managed and implemented by the Coordinating Commission For Postsecondary Education. The Commission would be responsible for identifying the particular employment needs across Nebraska, administering the scholarships to qualifying students, and tracking the students' compliance with their commitment. Only the

interest on the \$50 million principle would be used for scholarships and for administrative costs. Any interest not used would be returned to the principle.

Principal Introducer:

_____ **Senator Bill Avery**