

LB 1241 was brought to us by Senator Chambers, by a wide array of the north Omaha community and I believe it also has the blessings of the administration as well. This measure utilizes our research authority, the Research and Development Authority, to create a business development corporation. Now, a business development corporation is basically a pass through, a method of creating a corporation that will hold money to invest in other businesses in order to develop them and to bring them along to create some viable entities, if you will, and in this case the blighted neighborhood of the north Omaha area. The Research Authority has a current budget of between two and \$3 million, I understand, and one of our measures, one of the parts of the committee amendments is to take an additional million dollars from the General Fund, put it into the R & D Authority, basically it will wind up being money to create the Business Development Fund, or the Business Development Company, rather. In the event there is this injection of state assistance, there will also be an attempt to find matching contributions from other businesses who will invest in the business development corporation, should they choose to do so. They would receive credit under our existing Community Development Act. The Community Development Assistance Act is a program that allows for tax credits against corporate income tax if a business does something out of its ordinary course of business in furtherance of community development. The business that would make such a contribution to the business development corporation, rather, would be doing such an act that would qualify for that kind of special recognition under the Community Development Assistance Act and receive the tax credit. So, you have funds coming from two sources. You have the Research Authority and Development getting a million dollars of money to help form this. You have private contributions by businesses who in turn get tax credits. That forms a nest egg of money which is then invested in companies or in ideas rather that come forward that look like they will be viable businesses in the north Omaha area, a business that wants to be underwritten, an individual who wants to start a business has to provide a business plan, has to come forward with the kind of evidence that this is a feasible, thoughtful, potentially profitable operation. The business development corporation will examine those ideas and will make investment decisions in which ideas to invest in. The Banking Committee's amendments include several parts. First, the existing Development Assistance Act, the Community Development Assistance Act, permits this tax credit to corporations against their corporate income tax. It does not provide language