

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

February 17, 1999 LB 774

SENATOR CROSBY: Thank you. Before we begin General File, Senator Schmitt announces and recognizes Dr. Richard Hanisch of St. Paul, this morning, who is our family doctor of the day. And he's sitting under the north balcony. Dr. Hanisch. Mr. Clerk, LB 774.

CLERK: (LB) 774, Madam President, a bill by Senator Hartnett. (Read title.) Bill was introduced on January 20, at that time referred to the Urban Affairs Committee. The bill was advanced to General File. There are committee amendments, Madam President.

SENATOR CROSBY: Senator Hartnett, you're recognized to open on 774.

SENATOR HARTNETT: Madam Chairman and members of the body, this is...come...deals with community development laws which governs tax increment financing. What it would do, in Section 1, would change the definitional terms in the law which deals with substandard and blighted. This was the part of the bill that was controversial. If you look at the statement, a lot of people testified against it, and you have a couple of letters from people that testified against the bill, Al Wenstrand, and one from the Mayor's Office and so forth. So that part we have, with the committee amendment we struck that from them. With...Section 2 of the bill deals with a cost-benefit analysis which must be performed before TIF financing can be approved. In 1996, the Legislature adopted 1373, which created the Review Incentive Program Committee which was assigned the task to examine models and methods to measure the costs and benefits of tax increment projects and statutory incentives. In 1997, in LB 875, the review was extended to TIF projects, and the committee was asked to develop a cost-benefit economic model for use by cities in evaluating proposed projects. This model has been completed and reviewed by the Urban Affairs Committee earlier this year. It should be noted that no city is required to use the proposed model. Any city can use some comparable model to conform with the standards contained in Section 77-501. We have...and 1373 was for the state economic development. What we're doing is moving this section into this community redevelopment laws. That...so...so that's that part of it. The