

March 28, 1973

bill. Now you will recall I had a Constitutional Amendment earlier in the session which would have given this type of redeveloped property a tax benefit. However, that is not included in this bill. This bill, this real estate as it was redeveloped would go on the tax rolls for the full value just like any other real estate. Now I would answer any questions. I move the adoption of the bill. I move we advance the bill to E & R Initial.

PRESIDENT: Okay, Senator Cavanaugh and then Senator Stahmer.

SENATOR CAVANAUGH: Senator Goodrich, on page 37 here I assume that's still in the bill?

SENATOR GOODRICH: Page 37, yes.

SENATOR CAVANAUGH: Section 37, there's mention made there...

SENATOR GOODRICH: That's now section 7.

SENATOR CAVANAUGH: ...hiring a director and expending costs, what is the cost of the, estimated cost of this bill?

SENATOR GOODRICH: There is no way of estimating costs. I would presume we'd have to have a director hired by these three commissioners and he would probably have to have a secretary but anything else that they were doing could probably be done on a contracting basis anyhow so we may have a total cost of \$20,000 a year contributed to by the three governmental subdivisions.

SENATOR CAVANAUGH: Okay, and how would the profits be distributed? I haven't seen that section in here among the, the proceeds from the sale, how would they be distributed among the governmental subdivisions?

SENATOR GOODRICH: Okay, right, in the same proportion that they participate in the proceeds of the tax revenue right now. That's how they would participate in the proceeds, if any, from the redevelopment and resale of this real estate. It's not their purpose to hold on to real estate any longer than it takes to assemble package and get it sold to somebody that will redevelop it.

SENATOR CAVANAUGH: And they would be selling, they'd always be selling this under bid, right?

SENATOR GOODRICH: At auction, yes. Actually, they could negotiate, back on page 34 there are three classes they divided into suitable--for private use, suitable for use by a public agency and not usable in its present condition. Once they got those classes determined, then they could use those classes to help determine how they are going to dispose of the real estate. If they were going to, for example, give it--literally give it to another public entity or public agency, then that public agency, once it took title to the real estate and say built a building on it, if it kept the building for ten years or more then it automatically gets free title. If it sells the building, if it should then subsequently say five years later sell the building, then they would have to go back and pay the commission for the price of the land.

SENATOR CAVANAUGH: Okay, thank you.

PRESIDENT: Senator Stahmer.

SENATOR STAHMER: Mr. President, members of the body, I'd like to support Senator Goodrich in this proposal. The