

April 6, 1979

LB 217, 568

We're voting on the advancement of 217 to E & R for Review. Have you all voted? Record.

CLERK: 27 ayes, 0 nays, Mr. President on the motion to advance.

SPEAKER MARVEL: The motion carried. The bill is advanced. Now we go to 568.

CLERK: Mr. President, LB 568 was introduced by the Public Works Committee and signed by the members thereof. (Read by title LB 568.) The bill was first read on February 9. It was referred to the Public Works Committee. It was advanced to General File. There are no amendments pending, Mr. President.

SPEAKER MARVEL: The Chair recognizes Senator Kremer.

SENATOR KREMER: Mr. Speaker and members of the Legislature, LB 568 was brought to us by the Department of Roads and it has to do with the acquisition of property, both real property and buildings, when it's owned by the public, and if the Department of Roads, for example, has to build a road or any public building has to be acquired, it would allow them to expend monies and to provide for a functional replacement of that public facility, and I want you to pay attention to the word "functional", having said that, and that does briefly explain the bill. Senator Glen Goodrich had a keen interest in this bill, and I would invite Senator Goodrich now to comment further on what I've said in explaining the bill, in that he probably put more into the study of the bill than the rest of the Committee. Senator Goodrich, I would yield to you at the present time.

SENATOR GOODRICH: Mr. President and members of the body, 568, as Senator Kremer indicated, is a bill to adopt what we call functional replacement concept into Nebraska state law for the benefit of property acquisition by the Department of Roads when they're trying to acquire the right of way for a highway. What functional replacement does is it recognizes that in the usual acquisition of real estate, you'd have three different ways of appraising it. One would be market value, what in other words like property sells for in that vicinity on the open market. Another way would be the income that it produces and you capitalize that income. The third way would be the reproduction or the replacement cost. In other words, you built it, you depreciated it over a certain...whatever the length or the life of the building was, and whatever that depreciated