

May 1, 1979

LB 158

an effort that was primarily carried on by Chamber of Commerce and other community minded citizens of the State of Nebraska, including the League of Cities and numerous others. I think it is in your bill book, it shows who supported it. The bill properly when it was being drafted was reviewed by virtually every segment of the State of Nebraska. As I said in terms of Senator Beutler's amendment, the only reason that that amendment was placed in there is because some of the smaller communities felt that it had to be there in order for them to have a viable tool if they were to use LB 158, but this bill primarily allows local communities to finance redevelopment projects in a substandard area by pledging up to fifteen years their increased ad valorem taxes received on that real property generated from the redevelopment activity, and once the principal or premium of that indebtedness is retired, that new tax then is divided among the various subdivisions of government that are using ad valorem taxes on property as a source of their revenue. I would remind you, Nebraska is not a unique state in adopting this. There are over twenty some states that presently have this type of legislation in a constitutional amendment and I would also remind you the record is very clean. The record is virtually faultless in terms of defaults and loss of a development. In fact, in some states it has been a major thrust toward developing a community that otherwise today would be in serious trouble, not only in terms of substandard areas, but in terms also of its revenue and its living qualities. What we are giving here to you today is a piece of legislation that merely goes back to something we have on the books which is something you passed before I got here I believe, the redevelopment statutes of several years ago, and so rather than to develop a whole new body of law, we merely took the redevelopment statutes and used that statute, amended it to bring into being amendment #1 or proposition #1 or as it was better known, community improvement financing. Now we made several changes in the body of the bill from the time it was originally printed. First of all, we amended the first section which would allow the city council to serve as the authority. It would also allow them to be the authority and also establish an agency or that type of thing, which Omaha might use, for the purpose of proceeding with this project, but in no case any of the amendments we have added, and you have a handout, those amendments have primarily been clarifying amendments and have not changed the body nor the intent of the law. I, for one, am a strong supporter of communities. I also remind you that the Economic Department of the State of Nebraska is a strong supporter of this. They appeared at the hearing and testified. Larry Bare and previous to