

May 15, 1979

LB 158

with, and if you will read it it says they can do almost anything with that money...other bonds, loans, pledges. Meanwhile the taxpayer continues to be without that property tax base that we promise to restore to him once those taxes have been paid over to that developer. I suggest this wording be stricken so that we can at least stick to our promise that once we have paid in full for this thing we are done...not that we will pay for full in it plus whatever other uses they can find for monies that should have gone to pay it off and then put the property on the tax roll. I think our counties need the tax base.

SPEAKER MARVEL: Senator Koch.

SENATOR KOCH: Thank you, Mr. Speaker. Contrary to what Senator Murphy says, he is not interpreting the section correctly. If we adopt this amendment it just does the opposite. The amendment would not allow the bonds to be retired early and that's what this whole thing is about. It could only delay by several years the full taxes that we're talking about going to that county, to that city, and to that school district. That's what you're going to do if you adopt the Murphy amendment. Secondly, the amendment would delete the only protection given to the bondholders. The protection of the taxes on the increased value will be pledged exclusively to repay the bonds... exclusively to repay the bonds. This would make the bonds unsaleable, and again would be a crippling effect to the bill. Third, this would open the door to using additional funds for other purposes, and I'll put that in writing for the record. In fact, I just spoke it into the record. The record among the twenty-seven states who have this kind of legislation for retiring these bonds has been seven years. That's the record. Other states have twenty year provisions. I would not accept this provision. I wanted twelve but finally compromised to fifteen. So I suggest to you, and I repeat to you if you adopt Senator Murphy's amendment you are indeed... it would not allow the bonds retired early so those additional new taxes generated could be given back to the subdivisions of government who rely heavily upon that property tax for the carrying out of the services to the community which they serve. I ask you to reject Senator Murphy's amendment.

SPEAKER MARVEL: Senator Johnson, do you wish to speak to the Murphy amendment to 158?

SENATOR JOHNSON: Yes, I do, Mr. Speaker. Members of the