

"Public Assistance for Private Redevelopment Growing Fast" which I think has some interesting points in it. This is information that came from the State of Minnesota. There law is very similar to ours except that for some types of tax increment financing they allow 25 and 30 year redevelopment projects, for other types they only allow ten years. But what I wanted to tell you is to give you an idea of how fast this type of thing can grow and what it means, if you don't keep a close eye on it and if you don't watch it and deal with it conservatively. In 1974, when this law was enacted or these type of laws began to be enacted in the State of Minnesota, there was one and a half billion dollars worth of property that was set aside and not taxed in that particular year. Seven years later, in 1981, the one and a half billion dollars had grown to 36 billion dollars. In 1974 there were four cities in the State of Minnesota using it and in 1981 there were one hundred cities using it. Now, the State of Minnesota is engaged in deep controversy on problems that are developing with losses to the different tax bases of the cities and the local political subdivisions. They have also gotten into the problem of blight, and what is blight. There have been law suits, one recently this year, where the definition of what was blighted, they have a broad definition but even at that they were going beyond it and stretching the definition and a taxpayer succeeded in killing one particular project. But, they have gotten around the blighted law now by enacting other forms of tax increment financing that allow not only for the redevelopment of blighted projects, but for economic development generally. So, it is a thing that keeps growing. I think it is bad policy to begin with myself, but at any rate, I think we should go very slowly on it in Nebraska, the law is relatively new here in Nebraska, just a couple years old, I think we should hang on for awhile and see how it works just the way it is, and not increase the tax levies for the different political subdivisions. Take a look at how the tax levies in different political subdivisions have increased because of tax increment financing. I think it just illustrates the point that when you take certain property off the tax roll the remaining property taxpayers in an area are the ones picking up the cost. This exacerbates the property tax problem for those who remain. Not only does it do that but it is a cost to the cities and it results in the cities having to forego other types of public assistance programs, such as perhaps parks or public works. So, there is a cost. Finally, in conclusion all I'm asking you to think very seriously about is staying as close to the private enterprise system as we reasonably can in this state until we are absolutely