

advanced to General File. I have no amendments to the bill.

PRESIDENT: The Chair recognizes Senator Lynch.

SENATOR LYNCH: Mr. President and members of the Legislature, the intent of LB 52 is to implement the recently passed constitutional amendment #3, which by the way passed in the last election with about 67 percent of the vote and was approved in every one of the 93 counties. It allows the use of tax increment financing to finance rehabilitation projects within the state. Previously municipalities in Nebraska were only able to use tax increment financing for the acquisition and demolition of buildings. The tax increment financing is a method of public assistance to certain projects by the earmarking of property taxes paid by the project for a specific number of years to retire bonds used to make public improvements to the property, acquire property, pay demolition costs or as now proposed, make structural repairs or improvements to the buildings. It is important to note that the taxes that are earmarked are only those that accrue from the increase in valuations of the project itself. No unit of government suffers any loss of revenue. After a maximum of 15 years the entire valuation of the property of the project returns to the regular tax rolls. The importance of LB 52 lies in the fact that rehabilitation is a preferable policy in many instances and because a deteriorated building may be structurally sound and restored much more economically than the alternative of demolition and new construction. And as tax increment financing is a form of public investment, the most economical alternatives should be used. Furthermore, rehabilitation will preserve our historical heritage and provide intangible benefits beyond that that can be achieved by new construction. I'd appreciate your support on this.

PRESIDENT: The Chair recognizes Senator Withem.

SENATOR WITHEM: Mr. President, members of the body, in the absence of a committee statement in your book Senator Lynch asked me to, as the Chairman of the Urban Affairs Committee, to relate to you that there were three individuals that testified in favor of this legislation at the committee. There were no opponents. Again I think the important things to remember are that we're really not debating the propriety or impropriety of tax increment financing or blighted property or any of those other buzz words that have caused a