

wisdom of the Legislature, recognizing that this did happen as it involves the designation of blighted areas, LB 1048 was passed and that spelled out five criteria that specifically designate and describe what a blighted area should be and without taking a lot of time, for example, first, their requirement is that unemployment in the designated area has to be at least 120 percent of the state or national average. Two, the average age of the residential or commercial units in the area has to be at least 40 years old and et cetera. I supported that. I support that. I think it was good to do that to overcome the very concern you had about people just promiscuously to take advantage of this kind of a proposal designating something that wouldn't necessarily or honestly in all imagination be described as blighted. The second part of your question, Senator, has to do with how do you determine whether a facility itself would be considered seriously for this kind of proposal for rehabilitation and there are at least four criteria for that. First of all the city council with public discussion and vote, the city council didn't approve of it, it wouldn't happen. Secondly, a bond council with legal opinion on the constitutionality and the legality of the specific project under both the state and federal law or it wouldn't go. Thirdly, lending institutions or investors risk their capital and are therefore interested, not only in the legality, but also in the feasibility of the project. Nobody is going to buy the bonds if in fact that improvement through that rehabilitated structure was not cost effective. And then fourthly, the Internal Revenue Service, most importantly, certifying that the bond issue is indeed tax exempt under the federal law and, therefore, legal. So there are a number of checks and balances and criteria that would help legitimize and in fact justify the use of the word rehabilitate rather than just destroy.

SPEAKER NICHOL: Are you satisfied in your own mind that all precautions have been taken to allow such thing to happen, even in spite of those regulations, if we shall call them that, shall be obeyed? Can there still be abuses?

SENATOR LYNCH: Oh, probably, it is hard to answer, Senator. I would like to think that we try to crank into this kind of a thing enough checks and balances to make sure that it would be very difficult for anything like this to be jeopardized...