

foreclosure. It affects the LRA. What it simply says is that in terms of bidding the property in at the outset the special assessments that are affixed to that foreclosure have got to be taken care of. We have had a problem develop in Douglas County that doesn't affect slum property, but instead affects improved property in suburban Omaha wherein the amount of the special assessments for the improving of the property has been in the neighborhood of a quarter of a million dollars. When those special assessments weren't paid and taxes weren't paid the property went through foreclosure. Under existing law the Land Reutilization Authority bid the property in, and then turned around and sold that same piece of property for the fair market value, which was established as \$12,000, meaning that the special assessments, in a sense, were washed out, totally and absolutely washed out. The City of Omaha says that is a bad policy. The City of Omaha says the Land Reutilization Authority should not be usable in a fashion to wash out those kinds of high cost special assessments that are inherent in suburban development. So this measure is designed to do exactly that. It doesn't affect foreclosures. It doesn't touch foreclosures at all. It does affect some of the authority of the Douglas County Land Reutilization Authority and that is it.

PRESIDENT: Senator Goodrich.

SENATOR GOODRICH: Would Senator Johnson yield to a question, please?

SENATOR V. JOHNSON: Yes.

SENATOR GOODRICH: Vard, I'm just curious how you envision this working once a property is put up for tax foreclosure and say no bid comes in, the Reutilization Board gets it by virtue of no bid, or a bid insufficient to pay the regular taxes, and there is a special, the Utilization (sic) Board owns it now literally subject to the specials, also subject to the regulars, I guess.

SENATOR V. JOHNSON: Right.

SENATOR GOODRICH: Now how are they going to dispose of it in your scenario?

SENATOR V. JOHNSON: They won't be able to dispose of it,