

February 20, 1975

SENATOR MURPHY: Another point, Senator Cavanaugh, if I may. Do you anticipate making this permissible for a landlord arrangement? Will this be strictly owned residences?

SENATOR CAVANAUGH: That was another question raised in committee by Senator Dworak. Yes, I would . . . it's my contemplation there would be nothing to preclude an absentee owner of such an eligible dwelling from receiving the applicable tax benefit here. I think that's good policy because if you're renting a single-family dwelling home and it is deteriorating, I think that a large amount of the deterioration that occurs in the city of Omaha and other areas is by absentee landlords who do rent single-family dwellings. They feel no real obligation. They would prefer to get the rent that they can because they know that they will be penalized if they do improve it. That their tax rate will go up if they do improve the structure. As a result of that the people who rent receive a less than adequate dwelling place. The area continues to decline until the landlord can no longer find renters for the place because it is so severely deteriorated. Then it becomes a piece of totally blighted property. I think it's good policy to encourage landlords, as well as individual property owners to improve these properties and not penalize them for doing it, at least for a reasonable period of time.

SENATOR MURPHY: Further, in the same thought, the present situation which is a very regressive tax for the man who decides to improve . . . and I would cite for example resiting a house must immediately report and be taxed. Is this bill going to encourage, to a degree, allowing a home to get to the point where it does qualify for blight simply because the tax benefit is not available at any other stage of disrepair?

SENATOR CAVANAUGH: Well, you know there's nothing that's perfect. I suppose that is a conceivable defect in this bill. It doesn't greatly disturb me that people would do that. I suppose it depends upon the definitions that this Legislature would write to implement this bill, as to whether we would encourage that kind of activity or not. I do not contemplate that kind of thing would be encouraged to a large extent that people would do that. I couldn't rule it out.

SENATOR SAVAGE: Chair recognizes Senator Dworak then Senator Nichol.

SENATOR DWORAK: I would just like to . . . Mr. President and colleagues, I'd like to rise in favor of this bill. A lot of these questions that have been asked, I had the same doubts in my own mind. I asked them in the committee and I've thought about them since. Even if some of these borderline things do occur we still have a piece of property that's improved which has to be for the overall benefit of the community. It seems like we've been on programs to get Federal and state funds to rebuild these areas. Here is an incentive situation that no direct cost . . . it just encourages people to do it themselves. I think the overall concept . . . again this is just enabling