

May 14, 1979

LB 158

SPEAKER MARVEL: Motion lost.

CLERK: Mr. President, Senator Beutler now moves to amend the bill.

SPEAKER MARVEL: Do you want to read the amendment?

CLERK: Read Beutler amendment. (See page 2140 of the Legislative Journal).

SPEAKER MARVEL: Chair recognizes Senator Beutler.

SENATOR BEUTLER: Mr. President, members of the Legislature. There were a lot of words there but the idea is very short. If you are going to issue these kinds of bonds or notes or make these kinds of loan advances, then I am asking that you approve of an amendment which would require an election in that case. I have stated before my philosophic objection to this type of financing. I was a little reluctant to go along with Senator Murphy's motion to kill because the electorate has apparently approved of the general concept. But at the very least I think that we should be extremely cautious in approaching this concept and I do not see why it is too much to ask that the voters of the particular district vote whether or not they want to issue and get involved in this type of development. Let me state a few problems with this type of financing that may encourage you to vote for this amendment. First of all be aware that we are committing a significant amount of the city's future revenue to this purpose. The city is in effect giving up some of the revenues that it'd probably otherwise have and is in effect subsidizing this development. So what we are talking about is a subsidy. Remember also that the planning authority has tremendous power in determining what is blighted and what is not blighted. I think that the authority needs that flexibility but on the other hand that flexibility is also subject to abuse. I think that a vote of the people is not an unreasonable check upon that authority. I might mention one problem that they had in California, for example, was that the authority would see certain islands of wealth within a blighted area that were about to be developed. Then include those islands of wealth within the blighted area. By that means take property that was going to be developed anyway off the tax rolls for purpose of increasing the increment on the blighted area as a whole. I think that it is a good idea to have the people overlook these projects in review of what the authority does. Another problem, I think with this type of financing is that it distorts the process of establishing local government spending priorities. Ordinarily you go in the budgetary