

kinds of things which create debt which makes it harder to annex and harder to bring them back into Omaha's tax base. Now this is the problem that continues and continues and continues. Omaha has a number of other problems also but this is one of the primary problems. We have made the SIDs so attractive that they are far more attractive than living in the city and that trend has got to stop. Now last year we had a special arrangement for SIDs and the reason we did was because I had introduced a bill, the LR 169 Committee in urban growth had introduced a bill to try to bring the interest rates up and we had negotiated that and had got the industry to accept 12% and then when the bill came along they wanted to use LB 933 to increase that tax for everyone else, I had already made an agreement on the 12% thing and so, therefore, we made that special exemption so the SIDs remained at 12% when everybody else went to 16%. Now frankly the situation is simply this, that there is no justification for any special break for SIDs, that SIDs have been subsidized enough and there is enough advantages right now for those kinds of instruments, that we don't need to continue to do that. The costs ought to be paid up front for any kind of development or any kind of assessments. Those costs ought to be attributed to the right people and that they ought to, in fact, pay the appropriate interest rate and to pull out SIDs in this case and to continue to provide them with the exception instead of the rule in a uniform bill, I think, is not only the height of hypocrisy but is, in fact, wrong. And if you are at all concerned about the tax base for the City of Omaha, which I wonder sometimes if we are, then we cannot afford to make this kind of an exemption. We can not afford to continue this kind of special arrangement for this growth mechanism. The costs ought to be shown up front. They ought to be properly distributed and I think that that is very important, that the long term interest of Omaha and the SIDs which should and most agree will become part of the City of Omaha, should be protected. Omaha has a lot of problems. The SIDs are one of the major reasons why we do and I don't think they should be given this special arrangement and special treatment.

SPEAKER MARVEL: Senator Carsten.

SENATOR CARSTEN: Mr. President and members of the Legislature, I would like to ask Senator Hoagland a question if I may.

SPEAKER MARVEL: Senator Hoagland, do you yield?

SENATOR HOAGLAND: Yes, I will, Senator.