

April 6, 1981

LB 412

and I cannot understand them. If, in fact, you are supposed to pay the penalty for the opportunity to get this exemption to pay the lower tax, if, in fact, you are going to be the beneficiary of this, then, in fact, you should pay the going interest rates for that five year period that anybody else would. And Senator Warner disagrees, but if we want normal and reasonable and logical development, especially in the urban areas like Omaha which uses the SID mechanism, then the interest rate has to be what everybody elses interest rate will be or else that individual has an incentive to hold that land even longer because he waits for the development to go around him and the price to skyrocket and he pays a very small interest rate, he pays no penalty. It is really minimal in the whole scheme of things.

SPEAKER MARVEL: You have thirty seconds left.

SENATOR NEWELL: So I oppose very strongly Senator Warner's amendment. In fact, I cannot understand why this amendment is necessary considering in Lancaster County in this situation here that the growth mechanism is really determined by the city, and that in Douglas County, a quite totally different situation, the interest rate actually works to encourage urban sprawl. In Lancaster County it has no effect, and when a land becomes available for development, the price is so high that you can easily pay the interest rate whatever that might be. So I see no rationalization for the Warner amendment. It is not uniform. It is not consistent. I just don't see any justification for it. So I would copose it and most strongly.

SPEAKER MARVEL: Senator Vard Johnson, are you out there?

SENATOR V. JOHNSON: Mr. Speaker, members of the body, I rise in opposition to the Warner amendment. I have listened to the debate on this issue, and though I have some sympathy for Senator Warner's point of view when he says simply that the interest rate that is a part of the present green-belt law is not really interest charged for delinquent taxes and, therefore, should be treated differently from the interest rate you and I are imposing on delinquent taxes and differently from the interest rates you and I are about to impose by virtue of LB 167. Though I am sympathetic with that point of view, I nonetheless continue to appreciate how the federal government has handled what I call tax breaks that turn out in retrospect to be incorrect tax breaks. As you well know this is tax season. We are all busily doing our tax returns and one of the things that we look at on our tax returns is whether or not we are entitled to an investment credit. Now we find that we are entitled to an