

I don't know how many of you listened to Senator Beutler but Senator Beutler has been consistent in his opposition to this type of financing and I recall a year ago he opposed it when I extended it to agricultural type financing. I think that there is an interesting situation here that you need to take a look at. If you read the language very carefully it refers to those areas that are determined to be blighted as defined by law and I guess the question that comes to my mind then is, what does constitute a blighted area. Do we have language in the statute that specifically outlines a blighted area and if so I've not read it but I think it is interesting to know that we have an example not too far from here which was declared a blighted area to allow for the utilization of tax increment financing. I'm not saying that it was not a good project or anything of that nature and I think that Senator Beutler has pointed out some of the problems that may develop to this type of financing. If you have the political clout to get your area declared a blighted area you can perhaps avail yourself of the lower rate financing whereas the smaller operation is not going to get that kind of low interest loan. I think that what we have really done here is that we have allowed, if we pass this bill into law and it may be that it should be, I'm not saying that it should not be, but we ought to recognize when we do it, what we are doing. We are saying essentially that the entire State of Nebraska within certain commercial bounds at least will become a blighted area for purposes of construction. Now I don't know how that is going to apply to Section 12 in Butler County, Summit Township. I know that at the time we held the hearings in Omaha Senator Haberman raised the question as to what would happen for agricultural type construction and of course the answer is very obvious. This type of financing will not be available if Senator Kahle or myself want to build some type of industry on our farm or expand our operation. I don't know just where it is going to stop and I have been involved in it as many of us have but I believe that we need to, if the bill moves, at least there needs to be some very direct guidelines, unassailable guidelines as to what constitutes a blighted area. Certainly there are parts of every city where it is beneficial to encourage construction and development but when you can pick an area out of the center of a city not very far from the downtown area and declare it a blighted area for the purposes of taking advantage of the lower interest rates, then I think we want to take a real look at whether or not the idea behind the enterprise zone is going to work or not. I would like to ask Senator Newell a question and if he can't answer it perhaps Senator Beutler can. I don't see Senator Newell at his desk.

SENATOR LAMB: Senator Newell, would you care to respond to Senator Schmit's question?