

tax exemption for those well-to-do taxpayers who tend to utilize the tax free financing to avoid taxes. Now frankly those are good arguments and for Senator Beutler who has been fairly consistent and Senator Warner who has been fairly consistent I can appreciate exactly where they are coming from. For many of the other members of the Legislature who have said, I've got mine and I don't want to open this up any further, I want to say that is an interesting argument and I can appreciate that. But you know the bottom line here is simply this, does this have the appropriate social policy purpose to justify this kind of financing mechanism to encourage redevelopment of our older neighborhoods, the communities that are blighted and substandard? We have a community development law that applies for all things. A local city will have to designate an area blighted and substandard and it will have to meet these criteria, Senator Schmit, and the criteria as I read to you before basically is fairly well spelled out. If you don't like the criteria, Senator Schmit, we can change that with legislation at any time. If you want to make it tighter we can do that. Let me say this, that the federal government will create its own criteria and they are in the process of doing that to further define these things and, Senator Cope, the federal government will probably create this criteria for the industrial development bonds. In other words, we are not going to see industrial development bonds issued as they once were if Congress acts as some people are suggesting and that is they will limit them to only blighted and substandard areas or using a federal definition of deteriorated neighborhood or whatever. So frankly this is an opportunity for us to authorize for commercial activity. Now let me say that one of the big bugaboos here is that we are going to authorize retailing, and this is one that Senator Beutler argued, we are going to authorize retailing to compete with other retailers in the neighborhood. Frankly that is not likely to happen and it is not likely to happen for two basic reasons. One, retailing, any retailing proposal will have to go before the city council to be approved. Now I'm sure that if there is a businessman, the small businessman that Senator Beutler is talking about, he is not, in fact, going to say, "Yes, I want competition and I want my competitor to have the advantage of the tax free bonds," a 3% break as Senator Beutler argued. He is not going to say that. He is going to oppose that and the city council is probably going to deny that and that is that argument. But let me say that there are many other commercial enterprises....(interruption.)

SENATOR LAMB: One minute, Senator.

SENATOR NEWELL: ...many other commercial enterprises that can be a benefit to these neighborhoods. The federal government has said, the President of the United States has said