February 18, 1982

federal government has said, it didn't work, we tried, we went in and we used the brick and mortar approach but we didn't remove the basic problem. The basic problem is still there. You have the crime, you have the unemployed, you have the lack of opportunity and you are not going to solve that by just putting a structure out there. People will go where there is opportunity and they will leave the places that they don't want to live. I think sometimes we try by various measures to relocate people through this type of a program and it is not going to work. It isn't going to work because there is no incentive for the people to stay there anyway. I think that what will probably happen will be, as has been pointed out here several times, someone will come in and use the tax abatement method to put up some kind of a structure but the general population, the taxpaying portion of the population then will bear an even greater burden and you may very well accentuate the problem which you are trying to solve. I go back to the old rule we had, the ten-acre rule, which most of you supported vigorously, which I said would accentuate the urban sprawl rather than slow it down. You fly around any of our cities today and you will find that to be true. All you have done is to increase the gobbling up of the land around the perimeters of the city. I think that when you adopt this kind of a proposal, as laudible as the goals are, the opportunity for a few people to have a little bit of benefit is far outweighed by the multitude of the persons who must pick up the slack for the cost of government. Hopefully, there is going to be some incentive, but if the market system works, price of the property drops to a level where private enterprise can come in....

SPEAKER MARVEL: You have one minute.

SENATOR SCHMIT:purchase the property, restore it, and put it back on the tax rolls. If you have a tax abatement procedure, you are trying to create an artificial value which I do not believe will ever be there and which eventually is not going to be resolved anyway because the basic problem for the cause of the area to become blighted has not been resolved. I think you can travel through any city and find this and as long as the issue is one where the people have not got the incentive to remain there and make it a part of their lives, to make it a part of their work, the mere abatement of the taxes is not going to be the incentive which will turn the area around.