

brief comment. There has been a lot of discussion on peripheral issues up until this time and so the body has a good familiarity with what the intention is in this series of bills. Enterprise zones are a new concept and I suppose they owe a greater debt to our governmental planner named Stuart Butler than anybody else, and because they represent manipulating and encouraging private enterprise to help us revive blighted neighborhoods, the Reagan Administration has fastened onto this concept as the cornerstone of their urban policy. In fact, it is the only element of their urban policy and I have passed out to you a couple of articles, this one to indicate that President Reagan is serious, that this is consistent with his suggestions, that White House and Congressional action is forthcoming in this area. The Congressional action will be to the tune of naming about 25 enterprise zones a year throughout the country for about three years. In these areas which would be blighted and substandard areas, and for which local states and local governments have requested this designation, federal regulations and federal taxes will be held in abeyance. In other words, things like the minimum wage law, some of the federal taxes, perhaps Social Security taxes, regulations and other governmental burdens will be held in abeyance to create according to these theorists a genuine free market atmosphere. These federal abatements or abeyances will be granted to those areas that can show a state response along the same lines. In other words, a locality that wants one of these designations, that wants to try for an enterprise zone, has to be able to tell the federal government what they are prepared to do to match the federal effort. Well, in this state taxes are essentially personal property or rather person....let me get this right, they are real estate property taxes. I sometimes make an error when I use those terms. In other words, local government runs on the back of property taxes and for a local government to show the federal government their good faith for one of these zones they have to be able to show some meat, show some bucks, show some commitment and that is what 706 is about. It allows them to freeze the property taxes in one of these areas, a designated zone for up to five years, consistent with the conditions that we will lay down for them next year in the event the voters approve LB 706. In other words, if the voters will approve 706 this year, we will write an enterprise zone law next year outlining the format, the conditions under which the zones can be given, the amount of relief that can be given and then will turn that authority over to local governments. Local governments