

March 8, 1982

LB 817

point and we are here now with this kind of financing where businesses will be forced to go to the government for financing because the competitive disadvantage will be so great that they will have no alternative. And then what happens when government begins to insist upon this or that in order to get the financing? Then you are in a situation where private enterprise I think is going to be sorry that they opened the door. Let's talk a little bit about what this bill does. You remember Senator Newell a few days ago had LB 634 and that proposed a constitutional amendment which would have expanded the types of activities that could be financed by cities and counties. That is very important, by cities and counties. And it would have allowed the financing of some commercial and retail type activities by cities and counties under the Industrial Development Bond Act. LB 817, what we are talking about today, does two things. Not only does it expand the type of activities just as 634 did but in addition it creates a whole new instrument for delivering those funds. Before, in terms of industrial development, we relied primarily upon the city and the county to authorize it. If they thought there was blight, if they thought there was substandard housing, if they thought industrial development was needed and that they were willing to give the advantage to have it, the tax advantage to have it, they could do it. But now the city and counties and all the local control is going to go right out the window. There won't be any more local control of this type of development because there will be a state agency there kicking out these funds and another little bureaucracy by the way. We have created a number of little bureaucracies now relating to the issuance of different types of bonds. And, of course, they are going to kick out the funds because they have to justify their existence and because the bond brokers are going to be hustling like crazy. So all the cities and all the counties will no longer have any say...

SENATOR CLARK: You have one minute.

SENATOR BEUTLER: ...about what is being done. Again, this is not a situation where you can blithely say, ah well, if we were federal congressmen we would take care of this. But we are on the state level and we are competing with other states and so we can't look too carefully at this. This bill doesn't deal just with enterprises where there is competition between states. It deals with your local grocery store, with retail stores, with commercial stores. Those places will be in Nebraska because of the people that are in Nebraska regardless of the types of financing that

8454