

March 23, 1982

LB 672

taxed because there is a tax shift and they don't realize it and I think we should be up front about our taxes. So I support the Warner amendment. Let's leave the law as it is. Thank you.

PRESIDENT: The Chair recognizes Senator Cope.

SENATOR COPE: Mr. President, members, remember one thing when you vote, that we are eroding our tax base. Now the original intent of the bill when it was passed probably wasn't too bad because it was areas that were not bringing in too much tax to the local subdivision. So in fifteen years then this would go back on the tax base for that city. So you traded fifteen years at the original tax and benefited fifteen years later but that was a foot in the door and I think that is where a lot of us made a mistake when we voted for that. Because now it started out with thirty years, then back down to twenty-five and I assure you if it doesn't pass or if it does, next year it will be in for another length of stay and it is eroding, and I repeat again and again. Think that over when you vote. You, as a citizen of that town are going to help pick up those taxes for those people who got a break and it is a break on their new business location, whatever it is.

PRESIDENT: The Chair recognizes Senator Labedz.

SENATOR LABEDZ: Thank you, Mr. President. LB 672 was heard in front of our committee in the City of Omaha and the City of Lincoln did give some good testimony and I would like to share some of it with you. Some of the things they said that the short limit increases the risk to the buyer of the bonds when the fifteen year period runs out, the bond purchasers receive no further payment whether or not the bonds are fully retired. So it makes it more difficult to find buyers for a given community and it also increases the cost by increasing the tax rates. In the extension of the term to twenty-five years would allow the community improvement financing to become more flexible and an effective tool to promote these development projects. The cities have recognized that it is a tool that they must use and they use it only when it is needed and the proper use, some of the proposed legislation will ensure that the bonds will be marketable and that is the most important and that in turn will encourage the projects which will strengthen the cities across the state and not just in Omaha and Lincoln. Thank you.

PRESIDENT: The Chair recognizes Senator Kahle.

SENATOR KAHLE: Mr. President, members, I support the kill