

property within its boundaries but for which it receives no benefit. Now those benefits won't be counted against it in the 1059 formula, it will be held neutral for purposes of 1059. But the fact of the matter is that a very large resource would not be counted for that school district. The amendment changes the word "may" to "shall" and indicates that somebody has to make up for the tax loss experienced in the school district. If somebody makes up for the tax loss in the school district, the 1059 aid formula will be held even and there should not be any statewide effects. There would certainly be no effects in that school district. And I say there shouldn't be statewide effects or at least they should be minimized because if the school district receives a very large payment from the city or a county, it would probably not be eligible for equalization aid and whatever it would have received will go back into the pool. It still isn't a perfect solution, but it's a better solution than is what is in the bill at present. I'm sure when we get to debate the income tax credit bill you will hear more about the potential impacts of these bills on the 1059 aid formula. The income tax consequences are even more drastic than what I believe the property tax consequences to be. The point, at least one of the points to be made is that not only will this have effects on the 1059 aid formula, which I think are inappropriate unless we change it, but also the fact that because of the way this bill is being presented to the Legislature or has been presented thus far, we have not had an opportunity to make changes that are appropriate, we have not had the opportunity yet to fully explore all the ramifications of this package of bills, 1059 aid is only one of them and I hope that the sponsors of this legislation will allow the debate to continue so that we may fully flush out all of the potential impacts of this legislation. It makes dramatic changes in state law for the State of Nebraska, not as, again, not only as it affects 1059, but as it affects other principles and policies of the State of Nebraska. I think this amendment is appropriate on another level and that is that the communities that possibly stand to benefit the most from this development should make some contribution toward the cost of the project. Now you can argue about which county that ought to be, which city that ought to be, I think very simply it ought to be the city or the county that initially calls for a designation of the property as a blighted or substandard area. After all, they're the ones who seem to have the most direct interest in the project. It's appropriate that they should hold the rest of us harmless while they arguably attempt to benefit. We should not be at their