

February 28, 1996 LB 1373

SENATOR WARNER: Yes, it would be helpful for those who might want to look for more detail, if you look at either of those two reports that were done, and I believe went to everybody's offices in...some time in January. And the kinds of things they're going to be looking at would be outlined in both of those reports. And, yes, what you're asking would be one of the areas that ought to be considered in the development of a cost/benefit ratio.

SENATOR WESELY: Well, I appreciate that, and it would be an assumption I would make. But as I looked at the language in the bill, it really doesn't...it really doesn't refer to that. I was a bit concerned that the possibility might be there that that aspect would not be a primary focus. So I don't have any problem. I trust that that will be, in fact, I mean if you're doing a cost/benefit analysis, you're going to have to look at tax revenues and losses. So it was more or less the language that was in the bill that seemed to be a bit deficient. I didn't see, in the committee amendments, that they had particularly addressed that. But, in any event, that was my only concern. And I do appreciate, first, let me commend Senator Warner and the Revenue Committee and the Executive Board, because they did take the step of hiring the consultants and doing those studies and begin the process. This is in follow-up to the effort that we took with the Micron bills, last year, where we had quite a debate, and discussion, and the original drafts of those Micron bills included a cost/benefit analysis as part of the decision-making process. What we ran into was a snag as to how to perform that type of cost/benefit analysis with a difference of opinion as to what was the appropriate model. So, not letting that fall away, and picking up that concern, I appreciate from Senator Warner, who...and the Exec Board, did go forward and look at the matter further. In my view, it is a central issue to whether or not we are making a good investment in our tax incentive and our economic development programs. We can see clearly from some of the materials that I've distributed, if you have a chance to look at that, and I'll go over it further as we spend time on this bill. But if you look at that, you'll see we have now accumulated, at this point in time, if we just stopped additional people from qualifying for LB 775 tax breaks, we would still have an obligation that is around \$1 billion today. Now we have paid out about \$329 million of that. So I guess you could say we're only about \$650 million short of paying out our obligations, and