

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

April 6, 1999

LB 78

SID are...SIDs are really the mechanism that we're talking about here, and we discussed the fact that the developer, the person who buys the land and puts in the utilities, generally in the first part of the process is the person who controls all of the contracts with utility companies or whoever is putting in the development utilities, right?

SENATOR BRUNING: Yes, Senator.

SENATOR BEUTLER: Right? Okay. My...my question...part of my question is this, and it may be a problem that pertains generally, but looking at it from the point of view of the consumer, here we have a developer who is not interested, generally speaking, in what happens to the lots after he sells them so long as the conditions for sale are maximized as far as that person is concerned. And so what the developer is interested in is how to minimize up-front costs. If they can get the utility company to put in the pipes free, that's good, right? And, as I understand it, the practice in Omaha and Douglas County, at least in later times, has been for utility companies to offer to put in the pipes free. Is that...is that accurate?

SENATOR BRUNING: Yes, Senator.

SENATOR BEUTLER: Okay. In addition to giving the developer the front-end incentive of putting in the pipes free, are utility companies, public and private, are they free to offer a developer whatever other incentives they may want in order to get that developer to put in the right pipes?

SENATOR BRUNING: Yes, typically they do offer incentives, both.

SENATOR BEUTLER: Okay. And can those incentives be very personal to the developer? Mean, can you...can you give the developer \$10,000 in order to...a contract bonus that goes to the developer personally?

SENATOR BRUNING: I haven't heard of that happening, Senator, but I suppose there...with the private utilities, there's nothing preventing it. I would think the...so the "investor-owns" could do it. I don't think they do. I think