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LB 105, 271

SENATOR CUDABACK: Time. Thank you, Senator Wickersham and Senator Beutler. Senator Smith, on part one of the Brown amendment.

SENATOR SMITH: Thank you, Mr. President and members. If Senator Wickersham would yield to a question?

SENATOR CUDABACK: Senator Wickersham, will you yield?

SENATOR WICKERSHAM: Yes.

SENATOR SMITH: If LB 271 were passed in its amended form, and housing authorities were somewhat exempted, at least in the current form, is that right?

SENATOR WICKERSHAM: There is one sentence in the version of 271 that bears specifically on housing authorities, and it says, a lease by a housing authority to a qualified, I'm paraphrasing a little bit, Senator, but a lease to a qualified individual is not...is for a public purpose and would not subject the housing authority to taxation.

SENATOR SMITH: Okay, that helps. So, if a commercial entity were located on the premises...in the premises of a housing authority that provides to the residents a service, but also provides services to residents outside of the facility, would that be subject to taxation? Example, a laundry facility that decides to, instead of just providing services to the residents, they start a laundromat, hang up a sign and compete with any other laundromat in town.

SENATOR WICKERSHAM: I think at some point in time you would say that the laundromat was not serving a public purpose within the confines of the public housing authority's operation of that enterprise, and then it would become subject to tax. I know that on...at various times in the debate over LB 271 we were asked to draw that line. I don't know that you can draw that line with any great degree of clarity. It will have to be answered on a case-by-case basis. I think the structure for answering that question on a case-by-case basis is largely the structure that's in place for charitable exemptions now, where you have to go through a process, there's an examination of what