

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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New Holland, one of the largest employers in Grand Island, and a purchaser of goods and services throughout Nebraska has conveyed its intention to seek competitive economic incentive packages from some 20 cities across the United States. It would seem that New Holland has come under new ownership, and due to economic pressures and a slumping ag economy they are looking to either close or consolidate several plants within the United States. New Holland employs some 650 individuals in Grand Island and the surrounding area. That bears repeating. New Holland employs some 650 individuals. When this number is extrapolated out, based on services utilized by the plant and its employees, it goes without saying this is an issue of paramount importance to our area and the state of Nebraska. LB 1258 proposes to amend the Nebraska Revised Statute, Section 18-2717, the Local Option Municipal Economic Development Act. This act was adopted in 1991 as LB 840, and was the enabling legislation for a constitutional amendment provision approved by the voters in November of 1990. The purpose of that constitutional provision was to permit cities and villages to spend revenue from local sources, property tax and local option tax receipts for approved economic development packages. The current language of Section 18-2717, the section being amended by my bill, places a cap of \$1 million per year on the amount a first class city can utilize for approved economic development packages. LB 1258 simply raises this cap and permits first class cities to spend up to \$2 million per year on approved economic development packages. Importantly, LB 1258 leaves intact several restrictions which the original act placed upon the ability of the city to utilize these funds. In particular, there is a restriction upon the total property tax levy that can be imposed in any year...any given year, an amount in excess of four-tenths of one percent of the taxable valuation of the city. And perhaps most importantly, there is a restriction that prohibits the expenditure of more funds than are approved by the voters of the municipality. I would also point out that the changes proposed in LB 1258 would not only benefit Grand Island, but some 12 other first class cities throughout this fine state. In short, LB 1258 proposes changes that will allow first class cities to compete on an even economic playing field with cities from across the United States. Of the 30 first class cities in this state, some 13 can appropriate between \$1.1 million and \$4.3 million, but are now limited or capped, due to the current