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LB 748

parts to it. One has to do with the takeover of existing systems, and the other has to do with annexation processes. So let's put aside all that annexation stuff for a minute and talk about the takeover of existing systems. His bill, as he just described, wipes out what some would describe as a very cumbersome process, wipes out all of those statutes and kind of goes to the other extreme and allows these systems to be taken over by eminent domain, as we understand it in many different other areas of municipal application. As I understand what some of these cities want, either they believe in a philosophy of public management of a utility or they want some leverage over private companies by virtue of a perceived reasonable ability, realistic ability to take over the system if they don't respond on rates, if they don't respond on service, if they're getting continual bad service, that sort of thing. First of all, do you think that's a legitimate leverage tool, to have a mechanism in place that creates the reasonable possibility that they might switch if not, or is that detrimental in terms of...the word I want is not encouraging investment? I would just like to hear how you...

SENATOR LANDIS: Sure.

SENATOR BEUTLER: ...how you've analyzed that particular.

SENATOR LANDIS: The pendulum has swung back and forth. LB 384 is less onerous than the bill that was originally introduced. It is a negotiated solution because the momentum to do something more complex was there, because of the most recent example that was available to the body which proved to be very instructive and I think was very influential in the outcome of that issue. If I've got a minute I'll share that example with you. If you'd like to know, it's Neligh. Neligh, in a desire to either lower costs, get revenue, bring the natural gas system into the city, or for whatever reason, went out and did the traditional condemnation procedure, which meant that the city took control after a vote. They voted to condemn. Then they went to the condemnation court to figure out how much they had to pay for what the public had voted for. A vote, of course, is pretty problematical--a lot of costs, a lot of expenses on both sides, very expensive. Then going to condemnation court, also very