

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

May 18, 2005

LB 500

and a cap on subsidies to future projects. A legislative audit released last month found that Wyandotte County's Unified Government and developers made some questionable purchases with state subsidies, known as the STAR bonds. The bonds use taxes generated by development to pay for expenses related to its creation--infrastructure, land purchases, et cetera. Cabela's, Nebraska Furniture Mart and nearby Legends Shopping Center all use STAR bonds. The audit...and I don't know if we have an audit function in our bill or not, but they do have legislative audit oversight written into theirs. Public money went for things such as a \$5,000 barbecue lunch, lawyers whose responsibilities include looking for ways to leverage more public money--and I believe that's what this amendment is seeking to exclude--publicly owned buildings and items--including robotic dinosaurs and an aquarium--that pay...directly service the developments. The county also gave land to the developers, who later sold it at a profit, and the state performance audit report of Kansas said that that was Cabela's, and they sold it for \$10 million. County officials have defended their actions, saying the development has created jobs and more than \$800 million in investment. That's pretty significant. So far, according to the audit, the Unified Government has authorized \$305 million in bonds for the speedway and Village West. The audit makes it clear that the government of Wyandotte knew what we expected and threw it in our face, said Jay Elmer, a senator and Lindsborg Republican. For weeks legislators have debated ways to give state and local governments more oversight and control over STAR bond use. And I want to make sure--we're just in General File now--that this has been looked at, that we should have legislative oversight and control in an area that's relatively new. I am not against doing this, and I want to make that clear. I'm very much in favor of having some kind of an area within Nebraska that is an attraction for a certain theme or perhaps...I've talked often about the Research Triangle in North Carolina, other states that have things like that. Nebraska needs something like that. And, as we launch off into this new kind of fund sourcing, we need to make sure, though, that we have proper legislative authority over the auditing of it. And again, that's what Kansas is kind of retooling this year, that they didn't do last year. We have to go after this, said Karin Brownlee, a senator