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FLOOR DEBATE

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LB 693

ineligible census tracts, places in which poverty rates are greater than 20 percent or the median family incomes are less than or equal to 80 percent of the area median family income, those kinds of businesses would go to the investment consolidator, they would get loans and they would repay those loans. What makes this work? What makes it work is that lenders who would not otherwise participate will, because of the federal tax credit, make loans to the investment consolidator, that thereby giving the investment consolidator a basis upon which to lend to distressed areas. Sixty-three counties, for example, have areas in them in this state that would qualify under the standard, and about fifty counties almost entirely the census tracts would qualify. It's for patient capital and, by the way, the loans have to be for seven years or longer. They're not quick turnaround loans. These are investments for a period of time to get a chance to get up and running for small business and agribusiness in financially stressed areas for about 63 counties in the state. NIFA wants to do that. They want to become the administrator, if you will, that would go off or at least have permission to go off and seek, on a competitive basis, these federal tax credits. These tax credits will not come to us unless there is somebody in Nebraska attempting to get it. And, by the way, it doesn't have to be a public agency or a quasi-public agency. It could be a private one. But in the history of these tax credits, only once has Nebraska made use of them and it was by a private firm who used it for an operation in Omaha as well as five other states. So they put one deal together and they used some of Nebraska's portion of the new markets tax credits. Now, if we don't use them, they will go back to the treasury and be administered in other states, and there are states that make heavy, heavy use of them, Wisconsin among them. This was a request for NIFA to have this authority and it has no impact on state revenues in any way, since it's not a state tax credit. Hopefully, if it engenders businesses to be successful in economically stressed areas, it will have a positive impact on Nebraska's revenue. It was advanced unanimously by the Banking, Commerce and Insurance Committee. I would ask for the advancement of LB 693.

SENATOR CUDABACK: Thank you, Senator Landis. You've heard the opening on LB 693. There are no committee amendments. We'll go