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

February 10, 2006 LR 2

you to comment on that...

SENATOR CUDABACK: Senator Landis.

SENATOR BEUTLER: ... suggestion or problem.

SENATOR LANDIS: Thank you.

SENATOR CUDABACK: About one minute.

SENATOR LANDIS: I'm aware of the controversy within the 501(c)(3) area of the use of it by people who push the envelope for political purposes, among others, 501(c)(3)s that seem to be masks or the related and (laugh) tax-laundering tool of a larger political enterprise. I think it has bedeviled the IRS and the Internal Revenue Code, although there have certainly been some actions taken. I would suggest two things that might well be helpful about this bill. First, it is not self-executing. comes back to the Legislature. Notwithstanding any other in this constitution, the Legislature may also provision authorize any county, city, or village to acquire, own, develop, or lease any real personal property, other than property used for a sectarian purpose or as a division, only by nonprofit enterprises as determined by law. And by the way, I think we get to determine "by law," as well.

SENATOR CUDABACK: It's now your time, Senator.

SENATOR LANDIS: Thank you. And to issue revenue bonds for the purpose of defraying the cost of acquiring and developing or financing such property. In other words, we, I think, get to lay down the limits, terms, conditions, timing, and the rules that are followed, once this constitutional provision is named. And secondly, I think we also get to define nonprofit enterprises as determined by law. Those, I think, are two ways in which this body would be able to reach in and not be bound by 501(c)(3), and draw those standards. Should we draw those standards constitutionally? My answer is no. That's a job for a Legislature to do, and it's a job that needs to be able to reflect experience as that experience occurs. Constitution are grants of authority. This is a grant of authority to the